

SENATE BILL No. 17

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-28-26-18; IC 6-1.1; IC 12-19-1.5-9; IC 36-3-5-8; IC 36-7.

Synopsis: Redevelopment commissions and TIF. With respect to certain bonds issued, or leases entered into, by redevelopment commissions and certain other local government entities for various redevelopment and economic development purposes, provides that: (1) the maximum term of the bonds or leases may not exceed 30 years; and (2) capitalized interest may be paid from the bond proceeds for not more than two years. Provides that certain decisions with respect to tax increment financing (TIF) allocation areas are to be made by the legislative or fiscal body of the city, town, or county instead of the redevelopment commission or are subject to the approval of the legislative or fiscal body, including: (1) consent for tax abatements in an allocation area; (2) consent for enterprise zone investment deductions in an allocation area; (3) issuance of certain bonds; (4) use of the power of eminent domain; (5) applying for federal grants and selling bonds to federal agencies; and (6) payment of certain property tax replacement credits. Includes taxes allocated for a TIF allocation area in the definition of "property taxes" for purposes of the petition and remonstrance process. Requires appointment of a school board member to serve as a nonvoting adviser to each redevelopment commission. Provides that the members of a county redevelopment commission are to be appointed by the county executive and the county fiscal body (instead of all appointments being made by the county executive). Revises the procedures for amending the resolution or plan for a redevelopment project area. Requires, for an amendment that enlarges the boundaries of an area, a finding that the existing area does not generate sufficient revenue to meet the financial obligations of the

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Effective: Upon passage; July 1, 2008.

Kenley

November 20, 2007, read first time and referred to Committee on Tax and Fiscal Policy.



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original project. Requires a redevelopment commission to annually notify the county auditor and the county or municipal fiscal body of the amount of assessed value that may be reallocated from the commission to other taxing units. Prohibits enlargement of an economic development area unless the original area does not generate sufficient revenue for the project. Provides that an economic development area must meet the criteria for an area needing redevelopment. Repeals certain provisions concerning the procedure for amending a resolution previously adopted by a redevelopment commission.

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Introduced

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

SENATE BILL No. 17

A BILL FOR AN ACT to amend the Indiana Code concerning redevelopment.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-28-26-18, AS ADDED BY P.L.203-2005,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2008]: Sec. 18. (a) A unit may issue bonds for the purpose of
4 providing public facilities under this chapter.
5 (b) The bonds are payable from any funds available to the unit.
6 (c) The bonds shall be authorized by a resolution of the unit.
7 (d) The terms and form of the bonds shall be set out either in the
8 resolution or in a form of trust indenture approved by the resolution.
9 (e) The bonds must mature within:
10 (1) fifty (50) years, **for bonds issued before July 1, 2008; or**
11 **(2) thirty (30) years, for bonds issued after June 30, 2008.**
12 (f) The unit shall sell the bonds at public or private sale upon terms
13 determined by the district.
14 (g) All money received from any bonds issued under this chapter
15 shall be applied solely to the payment of the cost of providing public



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facilities within a global commerce center, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include the cost of:

- (1) planning and development of the public facilities and all related buildings, facilities, structures, and improvements;
- (2) acquisition of a site and clearing and preparing the site for construction;
- (3) equipment, facilities, structures, and improvements that are necessary or desirable to make the public facilities suitable for use and operation;
- (4) architectural, engineering, consultant, and attorney's fees;
- (5) incidental expenses in connection with the issuance and sale of bonds;
- (6) reserves for principal and interest;
- (7) interest during construction and for a period thereafter determined by the district, but not to exceed:
 - (A) five (5) years **from the date of issuance, for bonds issued before July 1, 2008; or**
 - (B) **two (2) years from the date of issuance, for bonds issued after June 30, 2008;**
- (8) financial advisory fees;
- (9) insurance during construction;
- (10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and
- (11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, for, and interest on, the bonds being refunded or refinanced.

(h) A unit that issues bonds under this section may enter an interlocal agreement with any other unit located in the area served by the district in which the global commerce center is designated. A party to an agreement under this section may pledge any of its revenues, including taxes or allocated taxes under IC 36-7-14, to the bonds or lease rental obligations of another party to the agreement.

SECTION 2. IC 6-1.1-12.1-2, AS AMENDED BY P.L.154-2006, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) A designating body may find that a particular area within its jurisdiction is an economic revitalization area. However, the deduction provided by this chapter for economic revitalization areas not within a city or town shall not be available to retail businesses.

(b) In a county containing a consolidated city or within a city or town, a designating body may find that a particular area within its

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jurisdiction is a residentially distressed area. Designation of an area as a residentially distressed area has the same effect as designating an area as an economic revitalization area, except that the amount of the deduction shall be calculated as specified in section 4.1 of this chapter and the deduction is allowed for not more than five (5) years. In order to declare a particular area a residentially distressed area, the designating body must follow the same procedure that is required to designate an area as an economic revitalization area and must make all the following additional findings or all the additional findings described in subsection (c):

- (1) The area is comprised of parcels that are either unimproved or contain only one (1) or two (2) family dwellings or multifamily dwellings designed for up to four (4) families, including accessory buildings for those dwellings.
- (2) Any dwellings in the area are not permanently occupied and are:
 - (A) the subject of an order issued under IC 36-7-9; or
 - (B) evidencing significant building deficiencies.
- (3) Parcels of property in the area:
 - (A) have been sold and not redeemed under IC 6-1.1-24 and IC 6-1.1-25; or
 - (B) are owned by a unit of local government.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection or one (1) of the additional findings described in subsection (c).

(c) In a county containing a consolidated city or within a city or town, a designating body that wishes to designate a particular area a residentially distressed area may make the following additional findings as an alternative to the additional findings described in subsection (b):

- (1) A significant number of dwelling units within the area are not permanently occupied or a significant number of parcels in the area are vacant land.
- (2) A significant number of dwelling units within the area are:
 - (A) the subject of an order issued under IC 36-7-9; or
 - (B) evidencing significant building deficiencies.
- (3) The area has experienced a net loss in the number of dwelling units, as documented by census information, local building and demolition permits, or certificates of occupancy, or the area is owned by Indiana or the United States.

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(4) The area (plus any areas previously designated under this subsection) will not exceed ten percent (10%) of the total area within the designating body's jurisdiction.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection as an alternative to one (1) of the additional findings described in subsection (b).

(d) A designating body is required to attach the following conditions to the grant of a residentially distressed area designation:

(1) The deduction will not be allowed unless the dwelling is rehabilitated to meet local code standards for habitability.

(2) If a designation application is filed, the designating body may require that the redevelopment or rehabilitation be completed within a reasonable period of time.

(e) To make a designation described in subsection (a) or (b), the designating body shall use procedures prescribed in section 2.5 of this chapter.

(f) The property tax deductions provided by section 3, 4.5, or 4.8 of this chapter are only available within an area which the designating body finds to be an economic revitalization area.

(g) The designating body may adopt a resolution establishing general standards to be used, along with the requirements set forth in the definition of economic revitalization area, by the designating body in finding an area to be an economic revitalization area. The standards must have a reasonable relationship to the development objectives of the area in which the designating body has jurisdiction. The following four (4) sets of standards may be established:

(1) One (1) relative to the deduction under section 3 of this chapter for economic revitalization areas that are not residentially distressed areas.

(2) One (1) relative to the deduction under section 3 of this chapter for residentially distressed areas.

(3) One (1) relative to the deduction allowed under section 4.5 of this chapter.

(4) One (1) relative to the deduction allowed under section 4.8 of this chapter.

(h) A designating body may impose a fee for filing a designation application for a person requesting the designation of a particular area as an economic revitalization area. The fee may be sufficient to defray actual processing and administrative costs. However, the fee charged for filing a designation application for a parcel that contains one (1) or

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more owner-occupied, single-family dwellings may not exceed the cost of publishing the required notice.

(i) In declaring an area an economic revitalization area, the designating body may:

(1) limit the time period to a certain number of calendar years during which the economic revitalization area shall be so designated;

(2) limit the type of deductions that will be allowed within the economic revitalization area to the deduction allowed under section 3 of this chapter, the deduction allowed under section 4.5 of this chapter, the deduction allowed under section 4.8 of this chapter, or any combination of these deductions;

(3) limit the dollar amount of the deduction that will be allowed with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, and new information technology equipment if a deduction under this chapter had not been filed before July 1, 1987, for that equipment;

(4) limit the dollar amount of the deduction that will be allowed with respect to redevelopment and rehabilitation occurring in areas that are designated as economic revitalization areas on or after September 1, 1988;

(5) limit the dollar amount of the deduction that will be allowed under section 4.8 of this chapter with respect to the occupation of an eligible vacant building; or

(6) impose reasonable conditions related to the purpose of this chapter or to the general standards adopted under subsection (g) for allowing the deduction for the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

To exercise one (1) or more of these powers, a designating body must include this fact in the resolution passed under section 2.5 of this chapter.

(j) Notwithstanding any other provision of this chapter, if a designating body limits the time period during which an area is an economic revitalization area, that limitation does not:

(1) prevent a taxpayer from obtaining a deduction for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment installed on or before the

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approval deadline determined under section 9 of this chapter, but after the expiration of the economic revitalization area if:

(A) the economic revitalization area designation expires after December 30, 1995; and

(B) the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment was described in a statement of benefits submitted to and approved by the designating body in accordance with section 4.5 of this chapter before the expiration of the economic revitalization area designation; or

(2) limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under section 4, 4.5, or 4.8 of this chapter.

(k) Notwithstanding any other provision of this chapter, deductions:

(1) that are authorized under section 3 of this chapter for property in an area designated as an urban development area before March 1, 1983, and that are based on an increase in assessed valuation resulting from redevelopment or rehabilitation that occurs before March 1, 1983; or

(2) that are authorized under section 4.5 of this chapter for new manufacturing equipment installed in an area designated as an urban development area before March 1, 1983;

apply according to the provisions of this chapter as they existed at the time that an application for the deduction was first made. No deduction that is based on the location of property or new manufacturing equipment in an urban development area is authorized under this chapter after February 28, 1983, unless the initial increase in assessed value resulting from the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment occurred before March 1, 1983.

(l) If property located in an economic revitalization area is also located in an allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), an application for the property tax deduction provided by this chapter may not be approved unless ~~the commission that designated the allocation area adopts~~ a resolution approving the application **is adopted by the legislative body of the unit that approved the designation of the allocation area.**

SECTION 3. IC 6-1.1-20-1.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1.6. As used in this chapter, "property taxes" means a property tax rate or levy to pay debt service or to pay lease rentals. ~~but does not include~~ **The term includes**

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taxes allocated for an allocation area under IC 6-1.1-39-5, IC 8-22-3.5-9, IC 36-7-14-39, IC 36-7-15.1-26, or IC 36-7-15.1-53 **to the extent that those taxes are used to pay debt service or lease rentals.**

SECTION 4. IC 6-1.1-45-9, AS AMENDED BY P.L.211-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) Subject to subsection (c), a taxpayer that makes a qualified investment is entitled to a deduction from the assessed value of the taxpayer's enterprise zone property located at the enterprise zone location for which the taxpayer made the qualified investment. The amount of the deduction is equal to the remainder of:

(1) the total amount of the assessed value of the taxpayer's enterprise zone property assessed at the enterprise zone location on a particular assessment date; minus

(2) the total amount of the base year assessed value for the enterprise zone location.

(b) To receive the deduction allowed under subsection (a) for a particular year, a taxpayer must comply with the conditions set forth in this chapter.

(c) A taxpayer that makes a qualified investment in an enterprise zone established under IC 5-28-15-11 that is under the jurisdiction of a military base reuse authority board created under IC 36-7-14.5 or IC 36-7-30-3 is entitled to a deduction under this section only if the deduction is approved by the **legislative body of the unit that established the military base reuse authority board.**

(d) Except as provided in subsection (c), a taxpayer that makes a qualified investment at an enterprise zone location that is located within an allocation area, as defined by IC 12-19-1.5-1, is entitled to a deduction under this section only if the deduction is approved by the: ~~governing body of the allocation area:~~

(1) fiscal body of the unit, in the case of an allocation area established under IC 6-1.1-39;

(2) legislative body of the unit described in IC 8-22-3.5-1, in the case of an allocation area located in an airport development zone;

(3) legislative body of the unit that established the department of redevelopment, in the case of an allocation area established under IC 36-7-14;

(4) legislative body of the unit that established the redevelopment authority, in the case of an allocation area established under IC 36-7-14.5;

(5) legislative body of the consolidated city or excluded city

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1 that approved the establishment of the allocation area, in the
 2 case of an allocation area established under IC 36-7-15.1; or
 3 (6) legislative body of the unit that established the reuse
 4 authority, in the case of an allocation area established under
 5 IC 36-7-30.

6 SECTION 5. IC 12-19-1.5-9 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) A governing body
 8 may ~~after a public hearing, impose~~ **recommend to the:**

9 (1) fiscal body of the unit, in the case of an allocation area
 10 established under IC 6-1.1-39;

11 (2) legislative body of the unit described in IC 8-22-3.5-1, in
 12 the case of an allocation area located in an airport
 13 development zone;

14 (3) legislative body of the unit that established the department
 15 of redevelopment, in the case of an allocation area established
 16 under IC 36-7-14;

17 (4) legislative body of the unit that established the
 18 redevelopment authority, in the case of an allocation area
 19 established under IC 36-7-14.5;

20 (5) legislative body of the consolidated city or excluded city
 21 that approved the establishment of the allocation area, in the
 22 case of an allocation area established under IC 36-7-15.1; or
 23 (6) legislative body of the unit that established the reuse
 24 authority, in the case of an allocation area established under
 25 IC 36-7-30;

26 that a special assessment **be imposed** on the owners of property that
 27 is located in an allocation area to repay a bond or an obligation
 28 described in section 8 of this chapter that comes due after December
 29 31, 1999. The amount of a special assessment for a taxpayer shall be
 30 determined by multiplying the replacement amount by a fraction, the
 31 denominator of which is the total incremental assessed value in the
 32 allocation area, and the numerator of which is the incremental assessed
 33 value of the taxpayer's property in the allocation area.

34 (b) **If the governing body's recommendation under subsection**
 35 **(a) is approved by the applicable entity described in subsection (a),**
 36 **the governing body shall conduct a public hearing on the proposed**
 37 **special assessment. Before a the public hearing under subsection (a)**
 38 **may be is held,** the governing body must publish notice of the hearing
 39 under IC 5-3-1. The notice must state that the governing body will meet
 40 to consider whether a special assessment should be imposed under this
 41 chapter and whether the special assessment will help the governing
 42 body realize the redevelopment or economic development objectives

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for the allocation area or honor its obligations related to the allocation area. The notice must also name a date when the governing body will receive and hear remonstrances and objections from persons affected by the special assessment. All persons affected by the hearing, including all taxpayers within the allocation area, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, and orders of the governing body by the notice. At the hearing, which may be adjourned from time to time, the governing body shall hear all persons affected by the proceedings and shall consider all written remonstrances and objections that have been filed. The only grounds for remonstrance or objection are that the special assessment will not help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. After considering the evidence presented, the governing body shall take final action concerning the proposed special assessment. The final action taken by the governing body shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by subsection (c).

(c) A person who filed a written remonstrance with a governing body under subsection (b) and is aggrieved by the final action taken may, within ten (10) days after that final action, file in the office of the clerk of the circuit or superior court a copy of the order of the governing body and the person's remonstrance or objection against that final action, together with a bond conditioned to pay the costs of appeal if the appeal is determined against the person. The only ground of remonstrance or objection that the court may hear is whether the proposed assessment will help achieve the redevelopment of economic development objectives for the allocation area or honor its obligations related to the allocation area. An appeal under this subsection shall be promptly heard by the court without a jury. All remonstrances or objections upon which an appeal has been taken must be consolidated, heard, and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances or objections, and may confirm the final action of the governing body or sustain the remonstrances or objections. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

(d) The maximum amount of a special assessment under this section may not exceed the replacement amount.

(e) A special assessment shall be imposed and collected in the same manner as ad valorem property taxes are imposed and collected.

SECTION 6. IC 36-3-5-8, AS AMENDED BY P.L.219-2007,

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SECTION 113, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2008]: Sec. 8. (a) This section applies whenever
a special taxing district of the consolidated city has the power to issue
bonds, notes, or warrants.

(b) Before any bonds, notes, or warrants of a special taxing district
may be issued, the issue must be approved by resolution of the
legislative body of the consolidated city.

(c) Any bonds of a special taxing district must be issued in the
manner prescribed by statute for that district, and the board of the
department having jurisdiction over the district shall:

- (1) hold all required hearings;
- (2) adopt all necessary resolutions; and
- (3) appropriate the proceeds of the bonds;

in that manner. However, the legislative body shall levy each year the
special tax required to pay the principal of and interest on the bonds
and any bank paying charges.

(d) Notwithstanding any other statute, bonds of a special taxing
district may:

- (1) be dated;
- (2) be issued in any denomination;
- (3) mature at any time or times not exceeding fifty (50) years after
their date, **except as otherwise provided by IC 36-7-14 or**
IC 36-7-15.1; and
- (4) be payable at any bank or banks;

as determined by the board. The interest rate or rates that the bonds will
bear must be determined by bidding, notwithstanding IC 5-1-11-3.

(e) Bonds of a special taxing district are subject to the provisions of
IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the
issuance of bonds and giving notice of the petition, the giving of notice
of a hearing on the appropriation of the proceeds of bonds, the right of
taxpayers to appear and be heard on the proposed appropriation, the
approval of the appropriation by the department of local government
finance, the right of taxpayers and voters to remonstrate against the
issuance of bonds, and the sale of bonds at public sale.

SECTION 7. IC 36-7-4-207 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 207. (a) ADVISORY.
In a city having a park board and a city civil engineer, the city plan
commission consists of nine (9) members, as follows:

- (1) One (1) member appointed by the city legislative body from
its membership.
- (2) One (1) member appointed by the park board from its
membership.

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(3) One (1) member or designated representative appointed by the city works board.

(4) The city civil engineer or a qualified assistant appointed by the city civil engineer.

(5) Five (5) citizen members, of whom no more than three (3) may be of the same political party, appointed by the city executive.

(b) ADVISORY. If a city lacks either a park board or a city civil engineer, or both, subsection (a) does not apply. In such a city or in any town, the municipal plan commission consists of seven (7) members, as follows:

(1) The municipal legislative body shall appoint three (3) persons, who must be elected or appointed municipal officials or employees in the municipal government, as members.

(2) The municipal executive shall appoint four (4) citizen members, of whom no more than two (2) may be of the same political party.

(c) AREA. To provide equitable representation of rural and urban populations, representation on the area plan commission is determined as follows:

(1) Seven (7) representatives from each city having a population of more than one hundred five thousand (105,000).

(2) Six (6) representatives from each city having a population of not less than seventy thousand (70,000) nor more than one hundred five thousand (105,000).

(3) Five (5) representatives from each city having a population of not less than thirty-five thousand (35,000) but less than seventy thousand (70,000).

(4) Four (4) representatives from each city having a population of not less than twenty thousand (20,000) but less than thirty-five thousand (35,000).

(5) Three (3) representatives from each city having a population of not less than ten thousand (10,000) but less than twenty thousand (20,000).

(6) Two (2) representatives from each city having a population of less than ten thousand (10,000).

(7) One (1) representative from each town having a population of more than two thousand one hundred (2,100), and one (1) representative from each town having a population of two thousand one hundred (2,100) or less that had a representative before January 1, 1979.

(8) Such representatives from towns having a population of not

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more than two thousand one hundred (2,100) as are provided for in section 210 of this chapter.

(9) Six (6) county representatives if the total number of municipal representatives in the county is an odd number, or five (5) county representatives if the total number of municipal representatives is an even number.

(d) METRO. The metropolitan development commission consists of nine (9) citizen members, as follows:

(1) Four (4) members, of whom no more than two (2) may be of the same political party, appointed by the executive of the consolidated city.

(2) Three (3) members, of whom no more than two (2) may be of the same political party, appointed by the legislative body of the consolidated city.

(3) Two (2) members, who must be of different political parties, appointed by the board of commissioners of the county.

(e) METRO. The legislative body of the consolidated city shall appoint an individual to serve as a nonvoting adviser to the metropolitan development commission when the commission is acting as the redevelopment commission of the consolidated city under IC 36-7-15.1. If the duties of the metropolitan development commission under IC 36-7-15.1 are transferred to another entity under IC 36-3-4-23, the individual appointed under this subsection shall serve as a nonvoting adviser to that entity. A nonvoting adviser appointed under this subsection:

(1) must also be a member of the school board of a school corporation that includes all or part of the territory of the consolidated city;

(2) is not considered a member of the metropolitan development commission for purposes of IC 36-7-15.1 but is entitled to attend and participate in the proceedings of all meetings of the metropolitan development commission (or any successor entity designated under IC 36-3-4-23) when it is acting as a redevelopment commission under IC 36-7-15.1;

(3) is not entitled to a salary, per diem, or reimbursement of expenses;

(4) serves for a term of two (2) years and until a successor is appointed; and

(5) serves at the pleasure of the legislative body of the consolidated city.

SECTION 8. IC 36-7-14-6.1, AS AMENDED BY P.L.190-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2008]: Sec. 6.1. (a) The five (5) commissioners for a municipal redevelopment commission shall be appointed as follows:

(1) Three (3) shall be appointed by the municipal executive.

(2) Two (2) shall be appointed by the municipal legislative body.

The municipal executive shall also appoint an individual to serve as a nonvoting adviser to the redevelopment commission beginning July 1, 2008.

(b) The commissioners for a county redevelopment commission ~~that has five (5) members~~ shall be appointed by the ~~county executive~~; as follows:

(1) The county executive shall appoint all the members whose terms of office begin before January 1, 2008.

(2) For terms of office beginning after December 31, 2007, the county executive shall appoint three (3) members and the county fiscal body shall appoint two (2) members.

The county executive shall also appoint an individual to serve as a nonvoting adviser to the redevelopment commission beginning July 1, 2008.

(c) The commissioners for a county redevelopment commission that has seven (7) members shall be appointed as follows:

(1) The county executive shall appoint all the members whose terms of office begin before January 1, 2008.

(2) For terms of office beginning after December 31, 2007, the county executive shall appoint four (4) members and the county fiscal body shall appoint three (3) members.

The county executive shall also appoint an individual to serve as a nonvoting adviser to the redevelopment commission beginning July 1, 2008.

(d) A nonvoting adviser appointed under this section:

(1) must also be a member of the school board of a school corporation that includes all or part of the territory served by the redevelopment commission;

(2) is not considered a member of the redevelopment commission for purposes of this chapter but is entitled to attend and participate in the proceedings of all meetings of the redevelopment commission;

(3) is not entitled to a salary, per diem, or reimbursement of expenses;

(4) serves for a term of two (2) years and until a successor is appointed; and

(5) serves at the pleasure of the entity that appointed the nonvoting adviser.

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SECTION 9. IC 36-7-14-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) A redevelopment commissioner **or a nonvoting adviser appointed under section 6.1 of this chapter** may not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. However, any property required for redevelopment purposes in which a commissioner **or nonvoting adviser** has a pecuniary interest may be acquired, but only by gift or condemnation.

(b) A transaction made in violation of this section is void.

SECTION 10. IC 36-7-14-15, AS AMENDED BY P.L.221-2007, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) Whenever the redevelopment commission finds that:

(1) an area in the territory under ~~their~~ **its** jurisdiction is an area needing redevelopment;

(2) the conditions described in IC 36-7-1-3 cannot be corrected in the area by regulatory processes or the ordinary operations of private enterprise without resort to this chapter; ~~and~~

(3) the public health and welfare will be benefited by:

(A) the acquisition and redevelopment of the area under this chapter **as a redevelopment project area; or**

(B) **the amendment of the resolution or plan, or both, for an existing redevelopment project area; and**

(4) **in the case of an amendment to the resolution or plan for an existing redevelopment project area:**

(A) **the amendment is reasonable and appropriate when considered in relation to the original resolution or plan and the purposes of this chapter;**

(B) **the resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the unit; and**

(C) **if the amendment enlarges the boundaries of the area, the existing area does not generate sufficient revenue to meet the financial obligations of the original project;**

the commission shall cause to be prepared the data described in subsection (b).

(b) After making a finding under subsection (a), the commission shall cause to be prepared:

(1) maps and plats showing:

(A) **the boundaries of the area ~~needing redevelopment~~, in which property would be acquired for, or otherwise affected by, the establishment of a redevelopment project area or the amendment of the resolution or plan for an**

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existing area;

(B) the location of the various parcels of property, streets, alleys, and other features affecting the acquisition, clearance, remediation, replatting, replanning, rezoning, or redevelopment of the area, indicating any parcels of property to be excluded from the acquisition **or otherwise excluded from the effects of the establishment of the redevelopment project area or the amendment of the resolution or plan for an existing area;** and

~~(B)~~ (C) the parts of the area acquired, **if any**, that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes under the redevelopment plan;

(2) lists of the owners of the various parcels of property proposed to be acquired **for, or otherwise affected by, the establishment of an area or the amendment of the resolution or plan for an existing area;** and

(3) an estimate of the ~~cost of~~ **costs, if any, to be incurred for the acquisition and redevelopment of property.**

(c) **This subsection applies to the initial establishment of a redevelopment project area.** After completion of the data required by subsection (b), the redevelopment commission shall adopt a resolution declaring that:

(1) the area needing redevelopment is a menace to the social and economic interest of the unit and its inhabitants;

(2) it will be of public utility and benefit to acquire the area and redevelop it under this chapter; and

(3) the area is designated as a redevelopment project area for purposes of this chapter.

The resolution must state the general boundaries of the redevelopment project area, and that the department of redevelopment proposes to acquire all of the interests in the land within the boundaries, with certain designated exceptions, if there are any.

(d) **This subsection applies to the amendment of the resolution or plan for an existing redevelopment project area. After completion of the data required by subsection (b), the redevelopment commission shall adopt a resolution declaring that:**

(1) **if the amendment enlarges the boundaries of the area, the existing area does not generate sufficient revenue to meet the financial obligations of the original project;**

(2) **it will be of public utility and benefit to amend the resolution or plan for the area; and**

(3) **any additional area to be acquired under the amendment**

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1 is designated as part of the existing redevelopment project
2 area for purposes of this chapter.

3 **The resolution must state the general boundaries of the**
4 **redevelopment project area, including any changes made to those**
5 **boundaries by the amendment, and describe the activities that the**
6 **department of redevelopment is permitted to take under the**
7 **amendment, with any designated exceptions.**

8 ~~(d)~~ (e) For the purpose of adopting a resolution under subsection (c)
9 or (d), it is sufficient to describe the boundaries of the redevelopment
10 project area by its location in relation to public ways or streams, or
11 otherwise, as determined by the commissioners. Property excepted
12 from the ~~acquisition~~ **application of a resolution** may be described by
13 street numbers or location.

14 SECTION 11. IC 36-7-14-15.5, AS AMENDED BY P.L.185-2005,
15 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2008]: Sec. 15.5. (a) This section applies to a county having
17 a population of more than two hundred thousand (200,000) but less
18 than three hundred thousand (300,000).

19 (b) In adopting a declaratory resolution under section 15 of this
20 chapter, a redevelopment commission may include a provision stating
21 that the redevelopment project area is considered to include one (1) or
22 more additional areas outside the boundaries of the redevelopment
23 project area if the redevelopment commission makes the following
24 findings and the requirements of subsection (c) are met:

25 (1) One (1) or more taxpayers presently located within the
26 boundaries of the redevelopment project area are expected within
27 one (1) year to relocate all or part of their operations outside the
28 boundaries of the redevelopment project area and have expressed
29 an interest in relocating all or part of their operations within the
30 boundaries of an additional area.

31 (2) The relocation described in subdivision (1) will contribute to
32 the continuation of the conditions described in IC 36-7-1-3 in the
33 redevelopment project area.

34 (3) For purposes of this section, it will be of public utility and
35 benefit to include the additional areas as part of the
36 redevelopment project area.

37 (c) Each additional area must be designated by the redevelopment
38 commission as a redevelopment project area or an economic
39 development area under this chapter.

40 (d) Notwithstanding section 3 of this chapter, the additional areas
41 shall be considered to be a part of the redevelopment special taxing
42 district under the jurisdiction of the redevelopment commission. Any

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1 excess property taxes that the commission has determined may be paid
 2 to taxing units under section 39(b)(3) of this chapter shall be paid to
 3 the taxing units from which the excess property taxes were derived. All
 4 powers of the redevelopment commission authorized under this chapter
 5 may be exercised by the redevelopment commission in additional areas
 6 under its jurisdiction.

7 (e) The declaratory resolution must include a statement of the
 8 general boundaries of each additional area. However, it is sufficient to
 9 describe those boundaries by location in relation to public ways,
 10 streams, or otherwise, as determined by the commissioners.

11 (f) The declaratory resolution may include a provision with respect
 12 to the allocation and distribution of property taxes with respect to one
 13 (1) or more of the additional areas in the manner provided in section 39
 14 of this chapter. If the redevelopment commission includes such a
 15 provision in the resolution, allocation areas in the redevelopment
 16 project area and in the additional areas considered to be part of the
 17 redevelopment project area shall be considered a single allocation area
 18 for purposes of this chapter.

19 (g) The additional areas must be located within the same county as
 20 the redevelopment project area but are not otherwise required to be
 21 within the jurisdiction of the redevelopment commission, if the
 22 redevelopment commission obtains the consent by ordinance of:

23 (1) the county legislative body, for each additional area located
 24 within the unincorporated part of the county; or

25 (2) the legislative body of the city or town affected, for each
 26 additional area located within a city or town.

27 In granting its consent, the legislative body shall approve the plan of
 28 development or redevelopment relating to the additional area.

29 (h) A declaratory resolution previously adopted may be amended to
 30 include a provision to include additional areas as set forth in this
 31 section and an allocation provision under section 39 of this chapter
 32 with respect to one (1) or more of the additional areas in accordance
 33 with ~~section 17.5~~ **sections 15, 16, and 17** of this chapter.

34 (i) The redevelopment commission may amend the allocation
 35 provision of a declaratory resolution in accordance with ~~section 17.5~~
 36 **sections 15, 16, and 17** of this chapter to change the assessment date
 37 that determines the base assessed value of property in the allocation
 38 area to any assessment date following the effective date of the
 39 allocation provision of the declaratory resolution. Such a change may
 40 relate to the assessment date that determines the base assessed value of
 41 that portion of the allocation area that is located in the redevelopment
 42 project area alone, that portion of the allocation area that is located in

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an additional area alone, or the entire allocation area.

SECTION 12. IC 36-7-14-16, AS AMENDED BY P.L.1-2006, SECTION 565, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. (a) This subsection does not apply to the redevelopment commission of an excluded city described in section 1(b) of this chapter. After adoption of a resolution under section 15 of this chapter **that designates a redevelopment project area or amends the resolution or plan for an existing area**, the redevelopment commission shall submit the resolution and supporting data to the plan commission of the unit, or if there is no plan commission, then to the body charged with the duty of developing a general plan for the unit, if there is such a body. The plan commission may determine whether the resolution and the redevelopment plan conform to the plan of development for the unit and approve or disapprove the resolution and plan proposed. The redevelopment commission may amend or modify the resolution and proposed plan in order to conform them to the requirements of the plan commission. The plan commission shall issue its written order approving or disapproving the resolution and redevelopment plan, and may, with the consent of the redevelopment commission, rescind or modify that order.

(b) This subsection does not apply to the redevelopment commission of an excluded city described in section 1(b) of this chapter. The redevelopment commission may not proceed with:

(1) the acquisition of a redevelopment project area; **or**

(2) **the implementation of an amendment to the resolution or plan for an existing redevelopment project area;**

until the approving order of the plan commission is issued and approved by the municipal legislative body or county executive.

(c) In determining the location and extent of a redevelopment project area proposed to be acquired for redevelopment, the redevelopment commission and the plan commission of the unit shall give consideration to transitional and permanent provisions for adequate housing for the residents of the area who will be displaced by the redevelopment project.

(d) **After adoption of a resolution under section 15 of this chapter that designates a redevelopment project area or amends the resolution or plan for an existing area**, a redevelopment commission in an excluded city that is exempt from the requirements of subsections (a) and (b) shall submit the resolution and supporting data to the municipal legislative body of the excluded city. The municipal legislative body may:

(1) determine if the resolution and the redevelopment plan

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conform to the plan of development for the unit; and

(2) approve or disapprove the resolution and plan proposed.

SECTION 13. IC 36-7-14-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) After receipt of the written order of approval of the plan commission and approval of the municipal legislative body or county executive, the redevelopment commission shall publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1. The notice must:

(1) state that maps and plats have been prepared and can be inspected at the office of the department; ~~The notice must also~~ **and**

(2) name a date when the commission will:

(A) receive and hear remonstrances and objections from persons interested in or affected by the proceedings pertaining to the proposed project **or other actions to be taken under the resolution;** and ~~will~~

(B) determine the public utility and benefit of the proposed project **or other actions.**

All persons affected in any manner by the hearing, including all taxpayers of the special taxing district, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and orders of the commission by the notice given under this section.

(b) A copy of the notice of the hearing on the ~~proposed project~~ **resolution** shall be filed in the office of the unit's plan commission, board of zoning appeals, works board, park board, and building commissioner, and any other departments, bodies, or officers of the unit having to do with unit planning, variances from zoning ordinances, land use, or the issuance of building permits. These agencies and officers shall take notice of the pendency of the hearing and, until the commission confirms, modifies and confirms, or rescinds the resolution, or the confirmation of the resolution is set aside on appeal, may not:

(1) authorize any construction on property or sewers in the area described in the resolution, including substantial modifications, rebuilding, conversion, enlargement, additions, and major structural improvements; or

(2) take any action regarding the zoning or rezoning of property, or the opening, closing, or improvement of streets, alleys, or boulevards in the area described in the resolution.

This subsection does not prohibit the granting of permits for ordinary maintenance or minor remodeling, or for changes necessary for the

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1 continued occupancy of buildings in the area.

2 (c) If the resolution to be considered at the hearing includes a
3 provision establishing or amending an allocation provision under
4 section 39 of this chapter, the redevelopment commission shall file the
5 following information with each taxing unit that is wholly or partly
6 located within the allocation area:

7 (1) A copy of the notice required by subsection (a).

8 (2) A statement disclosing the impact of the allocation area,
9 including the following:

10 (A) The estimated economic benefits and costs incurred by the
11 allocation area, as measured by increased employment and
12 anticipated growth of real property assessed values.

13 (B) The anticipated impact on tax revenues of each taxing unit.

14 The redevelopment commission shall file the information required by
15 this subsection with the officers of the taxing unit who are authorized
16 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten
17 (10) days before the date of the hearing.

18 (d) At the hearing, which may be adjourned from time to time, the
19 redevelopment commission shall hear all persons interested in the
20 proceedings and shall consider all written remonstrances and
21 objections that have been filed. After considering the evidence
22 presented, the commission shall take final action determining the
23 public utility and benefit of the proposed project **or other actions to**
24 **be taken under the resolution**, and confirming, modifying and
25 confirming, or rescinding the resolution. The final action taken by the
26 commission shall be recorded and is final and conclusive, except that
27 an appeal may be taken in the manner prescribed by section 18 of this
28 chapter.

29 SECTION 14. IC 36-7-14-17.5, AS AMENDED BY P.L.185-2005,
30 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2008]: Sec. 17.5. ~~(a) The commission must conduct a public~~
32 ~~hearing before amending a resolution or plan for a redevelopment~~
33 ~~project area; an urban renewal project area; or an economic~~
34 ~~development area; the commission shall give notice of the hearing in~~
35 ~~accordance with IC 5-3-1. The notice must:~~

36 (1) set forth the substance of the proposed amendment;

37 (2) state the time and place where written remonstrances against
38 the proposed amendment may be filed;

39 (3) set forth the time and place of the hearing; and

40 (4) state that the commission will hear any person who has filed
41 a written remonstrance during the filing period set forth under
42 subdivision (2).

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(b) For the purposes of this section, the consolidation of areas is not considered the enlargement of the boundaries of an area.

(c) When the commission proposes to amend a resolution or plan, the commission is not required to have evidence or make findings that were required for the establishment of the original redevelopment project area, urban renewal area, or economic development area. However, the commission must make the following findings before approving the amendment:

(1) The amendment is reasonable and appropriate when considered in relation to the original resolution or plan and the purposes of this chapter.

(2) The resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the unit.

(d) (a) In addition to the requirements of ~~subsection (a)~~, **section 17 of this chapter**, if the resolution or plan **for an existing redevelopment project area** is proposed to be amended in a way that changes:

(1) parts of the area that are to be devoted to a public way, levee, sewerage, park, playground, or other public purposes;

(2) the proposed use of the land in the area; or

(3) requirements for rehabilitation, building requirements, proposed zoning, maximum densities, or similar requirements; the commission must, at least ten (10) days before the public hearing **under section 17 of this chapter**, send the notice required by **subsection (a) section 17 of this chapter** by first class mail to affected neighborhood associations.

(e) (b) In addition to the requirements of ~~subsection (a)~~, **section 17 of this chapter**, if the resolution or plan **for an existing redevelopment project area** is proposed to be amended in a way that:

(1) enlarges the boundaries of the area; ~~by not more than twenty percent (20%) of the original area~~; or

(2) adds one (1) or more parcels to the list of parcels to be acquired;

the commission must, at least ten (10) days before the public hearing **under section 17 of this chapter**, send the notice required by ~~subsection (a)~~ **section 17 of this chapter** by first class mail to affected neighborhood associations and to persons owning property that is in the proposed enlargement of the area or that is proposed to be added to the acquisition list. If the enlargement of an area is proposed, notice must also be filed in accordance with section 17(b) of this chapter, and agencies and officers may not take actions prohibited by section 17(b) of this chapter in the proposed enlarged area.

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(f) Notwithstanding subsections (a) and (c), if the resolution or plan is proposed to be amended in a way that enlarges the original boundaries of the area by more than twenty percent (20%), the commission must use the procedure provided for the original establishment of areas and must comply with sections 15 through 17 of this chapter.

(g) At the hearing on the amendments, the commission shall consider written remonstrances that are filed. The action of the commission on the amendment shall be recorded and is final and conclusive, except that an appeal of the commission's action may be taken under section 18 of this chapter.

~~(h)~~ (c) The commission may require that neighborhood associations register with the commission. The commission may adopt a rule that requires that a neighborhood association encompass a part of the geographic area included in or proposed to be included in a redevelopment project area, urban renewal area, or economic development area to qualify as an affected neighborhood association.

SECTION 15. IC 36-7-14-20, AS AMENDED BY P.L.185-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 20. (a) **Subject to the approval of the legislative body of the unit that established the department of redevelopment,** if the redevelopment commission considers it necessary to acquire real property in a redevelopment project area by the exercise of the power of eminent domain, ~~they~~ **the commission** shall adopt a resolution setting out ~~their~~ **its** determination to exercise that power and directing ~~their~~ **its** attorney to file a petition in the name of the unit on behalf of the department of redevelopment, in the circuit or superior court of the county in which the property is situated.

(b) Eminent domain proceedings under this section are governed by IC 32-24 and other applicable statutory provisions for the exercise of the power of eminent domain. Property already devoted to a public use may be acquired under this section, but property belonging to the state or any political subdivision may not be acquired without its consent.

(c) The court having jurisdiction shall direct the clerk of the circuit court to execute a deed conveying the title of real property acquired under this section to the unit for the use and benefit of its department of redevelopment.

SECTION 16. IC 36-7-14-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 24. (a) All expenses incurred by the department of redevelopment that must be paid before the collection of taxes levied under this chapter shall be paid in the manner prescribed by this section. The commission shall certify the

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1 items of expense to the fiscal officer of the unit ~~directing him to pay~~
 2 **requesting payment of** the amounts certified. ~~and Subject to~~
 3 **appropriation by the fiscal body of the unit**, the fiscal officer shall
 4 then draw ~~his a warrant~~ **The warrant shall in the requested amount to**
 5 be paid out of the general fund of the unit. ~~without appropriation by the~~
 6 **fiscal body or approval by any other body**. If the unit has no
 7 unappropriated monies in its general fund, the fiscal officer of the unit
 8 ~~shall~~ **may** recommend to the fiscal body the temporary transfer from
 9 other funds of the unit of a sufficient amount to meet the items of
 10 expense, or the making of a temporary loan for that purpose. The fiscal
 11 body ~~shall immediately~~ **may** make the transfer or authorize the
 12 temporary loan in the same manner that other transfers and temporary
 13 loans are made by the unit.

14 (b) The amount advanced by the unit under this section may not
 15 exceed fifty thousand dollars (\$50,000), and the fund or funds of the
 16 unit from which the advancement is made shall be fully reimbursed and
 17 repaid by the redevelopment commission out of ~~the first proceeds of~~
 18 **the special taxes levied under this chapter: legally available revenues**.

19 (c) The redevelopment commission may not use any part of the
 20 amount advanced by the unit under this section in the acquisition of
 21 real property.

22 SECTION 17. IC 36-7-14-25.1, AS AMENDED BY P.L.219-2007,
 23 SECTION 125, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2008]: Sec. 25.1. (a) In addition to other
 25 methods of raising money for property acquisition or redevelopment in
 26 a redevelopment project area, and in anticipation of the special tax to
 27 be levied under section 27 of this chapter, the taxes allocated under
 28 section 39 of this chapter, or other revenues of the district, or any
 29 combination of these sources, the redevelopment commission may, by
 30 resolution and subject to subsection (p), issue the bonds of the special
 31 taxing district in the name of the unit. The amount of the bonds may
 32 not exceed the total, as estimated by the commission, of all expenses
 33 reasonably incurred in connection with the acquisition and
 34 redevelopment of the property, including:

- 35 (1) the total cost of all land, rights-of-way, and other property to
 36 be acquired and redeveloped;
- 37 (2) all reasonable and necessary architectural, engineering, legal,
 38 financing, accounting, advertising, bond discount, and
 39 supervisory expenses related to the acquisition and redevelopment
 40 of the property or the issuance of bonds;
- 41 (3) capitalized interest permitted by this chapter and a debt
 42 service reserve for the bonds to the extent the redevelopment

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commission determines that a reserve is reasonably required; and
 (4) expenses that the redevelopment commission is required or
 permitted to pay under IC 8-23-17.

(b) If the redevelopment commission plans to acquire different
 parcels of land or let different contracts for redevelopment work at
 approximately the same time, whether under one (1) or more
 resolutions, the commission may provide for the total cost in one (1)
 issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and
 negotiable, subject to the requirements of the bond resolution for
 registering the bonds. The resolution authorizing the bonds must state:

- (1) the denominations of the bonds;
- (2) the place or places at which the bonds are payable; and
- (3) the term of the bonds, which may not exceed:

(A) fifty (50) years, for bonds issued before July 1, 2008; or

(B) thirty (30) years, for bonds issued after June 30, 2008.

The resolution may also state that the bonds are redeemable before
 maturity with or without a premium, as determined by the
 redevelopment commission.

(d) The redevelopment commission shall certify a copy of the
 resolution authorizing the bonds to the municipal or county fiscal
 officer, who shall then prepare the bonds, subject to subsection (p). The
 seal of the unit must be impressed on the bonds, or a facsimile of the
 seal must be printed on the bonds.

(e) The bonds must be executed by the appropriate officer of the
 unit and attested by the municipal or county fiscal officer.

(f) The bonds are exempt from taxation for all purposes.

(g) The municipal or county fiscal officer shall give notice of the
 sale of the bonds by publication in accordance with IC 5-3-1. The
 municipal fiscal officer, or county fiscal officer or executive, shall sell
 the bonds to the highest bidder, but may not sell them for less than
 ninety-seven percent (97%) of their par value. However, bonds payable
 solely or in part from tax proceeds allocated under section 39(b)(2) of
 this chapter, or other revenues of the district may be sold at a private
 negotiated sale.

(h) Except as provided in subsection (i), a redevelopment
 commission may not issue the bonds when the total issue, including
 bonds already issued and to be issued, exceeds two percent (2%) of the
 adjusted value of the taxable property in the special taxing district, as
 determined under IC 36-1-15.

(i) The bonds are not a corporate obligation of the unit but are an
 indebtedness of the taxing district. The bonds and interest are payable,

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as set forth in the bond resolution of the redevelopment commission:

- (1) from a special tax levied upon all of the property in the taxing district, as provided by section 27 of this chapter;
- (2) from the tax proceeds allocated under section 39(b)(2) of this chapter;
- (3) from other revenues available to the redevelopment commission; or
- (4) from a combination of the methods stated in subdivisions (1) through (3).

If the bonds are payable solely from the tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(j) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed:

- (1) five (5) years from the date of issuance, **for bonds issued before July 1, 2008; or**
- (2) **two (2) years from the date of issuance, for bonds issued after June 30, 2008.**

(k) All laws relating to the giving of notice of the issuance of bonds, the giving of notice of a hearing on the appropriation of the proceeds of the bonds, the right of taxpayers to appear and be heard on the proposed appropriation, and the approval of the appropriation by the department of local government finance apply to all bonds issued under this chapter that are payable from the special benefits tax levied pursuant to section 27 of this chapter or from taxes allocated under section 39 of this chapter.

(l) All laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against the issuance of bonds apply to bonds issued under this chapter. ~~except for~~ **However, this subsection does not apply to the bonds if they:**

- (1) **are** payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources; **and**
- (2) **were:**
 - (A) **issued before July 1, 2008;**
 - (B) **issued after June 30, 2008, but authorized by a resolution adopted under this section before July 1, 2008;**
 - or**
 - (C) **issued after June 30, 2008, in order to:**
 - (i) **fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of bonds or other**

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1 **contractual obligations that were issued or entered into**
 2 **before July 1, 2008; or**

3 **(ii) otherwise prevent an impairment of the rights or**
 4 **remedies of the holders of bonds or other contractual**
 5 **obligations that were issued or entered into before July**
 6 **1, 2008.**

7 (m) If a debt service reserve is created from the proceeds of bonds,
 8 the debt service reserve may be used to pay principal and interest on
 9 the bonds as provided in the bond resolution.

10 (n) Any amount remaining in the debt service reserve after all of the
 11 bonds of the issue for which the debt service reserve was established
 12 have matured shall be:

13 (1) deposited in the allocation fund established under section
 14 39(b)(2) of this chapter; **and**

15 **(2) to the extent permitted by law, transferred to the county**
 16 **or municipality that established the department of**
 17 **redevelopment for use in reducing the county's or**
 18 **municipality's property tax levies for debt service.**

19 (o) If bonds are issued under this chapter that are payable solely or
 20 in part from revenues to the redevelopment commission from a project
 21 or projects, the redevelopment commission may adopt a resolution or
 22 trust indenture or enter into covenants as is customary in the issuance
 23 of revenue bonds. The resolution or trust indenture may pledge or
 24 assign the revenues from the project or projects, but may not convey or
 25 mortgage any project or parts of a project. The resolution or trust
 26 indenture may also contain any provisions for protecting and enforcing
 27 the rights and remedies of the bond owners as may be reasonable and
 28 proper and not in violation of law, including covenants setting forth the
 29 duties of the redevelopment commission. The redevelopment
 30 commission may establish fees and charges for the use of any project
 31 and covenant with the owners of any bonds to set those fees and
 32 charges at a rate sufficient to protect the interest of the owners of the
 33 bonds. Any revenue bonds issued by the redevelopment commission
 34 that are payable solely from revenues of the commission shall contain
 35 a statement to that effect in the form of bond.

36 (p) If the total principal amount of bonds authorized by a resolution
 37 of the redevelopment commission **adopted before July 1, 2008**, is
 38 equal to or greater than three million dollars (\$3,000,000), the bonds
 39 may not be issued without the approval, by resolution, of the legislative
 40 body of the unit. **Bonds authorized in any principal amount by a**
 41 **resolution of the redevelopment commission adopted after June 30,**
 42 **2008, may not be issued without the approval of the legislative**

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body of the unit.

SECTION 18. IC 36-7-14-25.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 25.2. (a) A redevelopment commission may enter into a lease of any property that could be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed:

(1) fifty (50) years, ~~and for a lease entered into before July 1, 2008; or~~

(2) ~~thirty (30) years, for a lease entered into after June 30, 2008.~~

The lease may provide for payments to be made by the redevelopment commission from special benefits taxes levied under section 27 of this chapter, taxes allocated under section 39 of this chapter, any other revenues available to the redevelopment commission, or any combination of these sources.

(b) A lease may provide that payments by the redevelopment commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the redevelopment commission only after a public hearing by the redevelopment commission at which all interested parties are provided the opportunity to be heard. After the public hearing, the redevelopment commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the redevelopment commission must be approved by an ordinance of the fiscal body of the unit.

(d) Upon execution of a lease providing for payments by the redevelopment commission in whole or in part from the levy of special benefits taxes under section 27 of this chapter and upon approval of the lease by the unit's fiscal body, the redevelopment commission shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the redevelopment district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and

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1 approval. The petition must set forth the petitioners' names, addresses,
2 and objections to the lease and the facts showing that the execution of
3 the lease is unnecessary or unwise or that the payments provided for in
4 the lease are not fair and reasonable, as the case may be.

5 (e) Upon the filing of the petition, the county auditor shall
6 immediately certify a copy of it, together with such other data as may
7 be necessary in order to present the questions involved, to the
8 department of local government finance. Upon receipt of the certified
9 petition and information, the department of local government finance
10 shall fix a time and place for a hearing in the redevelopment district,
11 which must be not less than five (5) or more than thirty (30) days after
12 the time is fixed. Notice of the hearing shall be given by the department
13 of local government finance to the members of the fiscal body, to the
14 redevelopment commission, and to the first fifty (50) petitioners on the
15 petition by a letter signed by the commissioner or deputy commissioner
16 of the department and enclosed with fully prepaid postage sent to those
17 persons at their usual place of residence, at least five (5) days before
18 the date of the hearing. The decision of the department of local
19 government finance on the appeal, upon the necessity for the execution
20 of the lease, and as to whether the payments under it are fair and
21 reasonable, is final.

22 (f) A redevelopment commission entering into a lease payable from
23 allocated taxes under section 39 of this chapter or other available funds
24 of the redevelopment commission may:

25 (1) pledge the revenue to make payments under the lease pursuant
26 to IC 5-1-14-4; and

27 (2) establish a special fund to make the payments.

28 (g) Lease rentals may be limited to money in the special fund so that
29 the obligations of the redevelopment commission to make the lease
30 rental payments are not considered debt of the unit or the district for
31 purposes of the Constitution of the State of Indiana.

32 (h) Except as provided in this section, no approvals of any
33 governmental body or agency are required before the redevelopment
34 commission enters into a lease under this section.

35 (i) An action to contest the validity of the lease or to enjoin the
36 performance of any of its terms and conditions must be brought within
37 thirty (30) days after the publication of the notice of the execution and
38 approval of the lease. However, if the lease is payable in whole or in
39 part from tax levies and an appeal has been taken to the department of
40 local government finance, an action to contest the validity or enjoin the
41 performance must be brought within thirty (30) days after the decision
42 of the department.

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(j) If a redevelopment commission exercises an option to buy a leased facility from a lessor, the redevelopment commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the redevelopment commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the redevelopment commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days of the hearing.

SECTION 19. IC 36-7-14-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 27. (a) This section applies only to:

(1) bonds that are issued under section 25.1 of this chapter; **and**

(2) leases entered into under section 25.2 of this chapter; which are payable from a special tax levied upon all of the property in the special taxing district. This section does not apply to bonds or leases that are payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.

(b) The redevelopment commission shall levy each year a special tax on all of the property of the redevelopment taxing district, in such a manner as to meet and pay the principal of the bonds as they mature, together with all accruing interest on the bonds or lease rental payments under section 25.2 of this chapter. The commission shall cause the tax levied to be certified to the proper officers as other tax levies are certified, and to the auditor of the county in which the redevelopment district is located, before the second day of October in each year. The tax shall be estimated and entered on the tax duplicate by the county auditor and shall be collected and enforced by the county treasurer in the same manner as other state and county taxes are estimated, entered, collected, and enforced. The amount of the tax levied to pay bonds or lease rentals payable from the tax levied under this section shall be reduced by any amount available in the allocation fund established under section 39(b)(2) of this chapter or other revenues of the redevelopment commission to the extent such revenues have been set aside in the redevelopment bond fund.

(c) As the tax is collected, it shall be accumulated in a separate fund to be known as the redevelopment district bond fund and shall be applied to the payment of the bonds as they mature and the interest on the bonds as it accrues, or to make lease payments and to no other

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purpose. All accumulations of the fund before their use for the payment of bonds and interest or to make lease payments shall be deposited with the depository or depositories for other public funds of the unit in accordance with IC 5-13, unless they are invested under IC 5-13-9.

(d) If there are no outstanding bonds that are payable solely or in part from tax proceeds allocated under section 39(b)(2) of this chapter and that were issued to pay costs of redevelopment in an allocation area that is located wholly or in part in the special taxing district, then all proceeds from the sale or leasing of property in the allocation area under section 22 of this chapter shall be paid into the redevelopment district bond fund and become a part of that fund. In arriving at the tax levy for any year, the redevelopment commission ~~may~~ **shall** take into account the amount of the proceeds deposited under this subsection and remaining on hand.

(e) The tax levies provided for in this section are reviewable by other bodies vested by law with the authority to ascertain that the levies are sufficient to raise the amount that, with other amounts available, is sufficient to meet the payments under the lease payable from the levy of taxes.

SECTION 20. IC 36-7-14-32.5, AS AMENDED BY P.L.163-2006, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 32.5. (a) **Subject to the approval of the fiscal body of the unit that established the department of redevelopment,** the commission may acquire a parcel of real property by the exercise of eminent domain when the real property has all of the following characteristics:

(1) The real property meets at least one (1) of the conditions described in IC 32-24-4.5-7(1).

(2) The real property is capable of being developed or rehabilitated to provide affordable housing for low or moderate income families or to provide other development that will benefit or serve low or moderate income families.

(3) The condition of the real property has a negative impact on the use or value of the neighboring properties or other properties in the community.

(b) The commission or the commission's designated hearing examiner shall conduct a public meeting to determine whether a parcel of real property has the characteristics set forth in subsection (a). Each person holding a fee or life estate interest of record in the property must be given notice by first class mail of the time and date of the hearing at least ten (10) days before the hearing and is entitled to present evidence and make arguments at the hearing.

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(c) If the commission considers it necessary to acquire real property under this section, the commission shall adopt a resolution setting out the commission's determination to exercise that power and directing the commission's attorney to file a petition in the name of the city on behalf of the department in the circuit or superior court with jurisdiction in the county.

(d) Eminent domain proceedings under this section are governed by IC 32-24.

(e) The commission shall use real property acquired under this section for one (1) of the following purposes:

(1) Sale in an urban homestead program under IC 36-7-17.

(2) Sale to a family whose income is at or below the county's median income for families.

(3) Sale or grant to a neighborhood development corporation with a condition in the granting clause of the deed requiring the nonprofit development corporation to lease or sell the property to a family whose income is at or below the county's median income for families or to cause development that will serve or benefit families whose income is at or below the unit's median income for families.

(4) Any other purpose appropriate under this chapter so long as it will serve or benefit families whose income is at or below the unit's median income for families.

(f) A neighborhood development corporation or nonprofit corporation that receives property under this section must agree to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the area served by the corporation.

SECTION 21. IC 36-7-14-35, AS AMENDED BY P.L.154-2006, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 35. (a) **Subject to the approval of the fiscal body of the unit that established the department of redevelopment, and** in order to:

(1) undertake survey and planning activities under this chapter;

(2) undertake and carry out any redevelopment project, urban renewal project, or housing program;

(3) pay principal and interest on any advances;

(4) pay or retire any bonds and interest on them; or

(5) refund loans previously made under this section;

the redevelopment commission may apply for and accept advances, short term and long term loans, grants, contributions, and any other form of financial assistance from the federal government, or from any

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of its agencies. The commission may also enter into and carry out contracts and agreements in connection with that financial assistance upon the terms and conditions that the commission considers reasonable and appropriate, as long as those terms and conditions are not inconsistent with the purposes of this chapter. The provisions of such a contract or agreement in regard to the handling, deposit, and application of project funds, as well as all other provisions, are valid and binding on the unit or its executive departments and officers, as well as the commission, notwithstanding any other provision of this chapter.

(b) **Subject to the approval of the fiscal body of the unit that established the department of redevelopment**, the redevelopment commission may issue and sell bonds, notes, or warrants to the federal government to evidence short term or long term loans made under this section, without notice of sale being given or a public offering being made.

(c) Notwithstanding the provisions of this or any other chapter, bonds, notes, or warrants issued by the redevelopment commission under this section may:

- (1) be in the amounts, form, or denomination;
- (2) be either coupon or registered;
- (3) carry conversion or other privileges;
- (4) have a rank or priority;
- (5) be of such description;
- (6) be secured (subject to other provisions of this section) in such manner;
- (7) bear interest at a rate or rates;
- (8) be payable as to both principal and interest in a medium of payment, at a time or times (which may be upon demand) and at a place or places;
- (9) be subject to terms of redemption (with or without premium);
- (10) contain or be subject to any covenants, conditions, and provisions; and
- (11) have any other characteristics;

that the commission considers reasonable and appropriate.

(d) Bonds, notes, or warrants issued under this section are not an indebtedness of the unit or taxing district within the meaning of any constitutional or statutory limitation of indebtedness. The bonds, notes, or warrants are not payable from or secured by a levy of taxes, but are payable only from and secured only by income, funds, and properties of the project becoming available to the redevelopment commission under this chapter, as the commission specifies in the resolution

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1 authorizing their issuance.

2 (e) Bonds, notes, or warrants issued under this section are exempt
3 from taxation for all purposes.

4 (f) Bonds, notes, or warrants issued under this section must be
5 executed by the appropriate officers of the unit in the name of the "City
6 (or Town or County) of _____, Department of
7 Redevelopment", and must be attested by the appropriate officers of the
8 unit.

9 (g) Following the adoption of the resolution authorizing the issuance
10 of bonds, notes, or warrants under this section, the redevelopment
11 commission shall certify a copy of that resolution to the officers of the
12 unit who have duties with respect to bonds, notes, or warrants of the
13 unit. At the proper time, the commission shall deliver to the officers the
14 unexecuted bonds, notes, or warrants prepared for execution in
15 accordance with the resolution.

16 (h) All bonds, notes, or warrants issued under this section shall be
17 sold by the officers of the unit who have duties with respect to the sale
18 of bonds, notes, or warrants of the unit. If an officer whose signature
19 appears on any bonds, notes, or warrants issued under this section
20 leaves office before their delivery, the signature remains valid and
21 sufficient for all purposes as if the officer had remained in office until
22 the delivery.

23 (i) If at any time during the life of a loan contract or agreement
24 under this section the redevelopment commission can obtain loans for
25 the purposes of this section from sources other than the federal
26 government at interest rates not less favorable than provided in the loan
27 contract or agreement, and if the loan contract or agreement so permits,
28 the commission may do so and may pledge the loan contract and any
29 rights under that contract as security for the repayment of the loans
30 obtained from other sources. Any loan under this subsection may be
31 evidenced by bonds, notes, or warrants issued and secured in the same
32 manner as provided in this section for loans from the federal
33 government. These bonds, notes, or warrants may be sold at either
34 public or private sale, as the commission considers appropriate.

35 (j) Money obtained from the federal government or from other
36 sources under this section, and money that is required by a contract or
37 agreement under this section to be used for project expenditure
38 purposes, repayment of survey and planning advances, or repayment of
39 temporary or definitive loans, may be expended by the redevelopment
40 commission without regard to any law pertaining to the making and
41 approval of budgets, appropriations, and expenditures.

42 (k) Bonds, notes, or warrants issued under this section are declared

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to be issued for an essential public and governmental purpose.

SECTION 22. IC 36-7-14-39, AS AMENDED BY P.L.154-2006, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of

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the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, **with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were**

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scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value; shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements in or serving that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this

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chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) in or serving that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in or serving that allocation area under any lease entered into under IC 36-1-10.

(I) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are

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located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the ~~base~~ assessed value **of the taxable property in the allocation area**, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) ~~Notify~~ **Provide a written notice to the county auditor, of the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:**

(i) ~~state~~ the amount, if any, of ~~the amount of~~ excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) **state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).**

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not

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1 authorize an allocation of assessed value to the respective
 2 taxing units under this subdivision if to do so would endanger
 3 the interests of the holders of bonds described in subdivision
 4 (2) or lessors under section 25.3 of this chapter.

5 (c) For the purpose of allocating taxes levied by or for any taxing
 6 unit or units, the assessed value of taxable property in a territory in the
 7 allocation area that is annexed by any taxing unit after the effective
 8 date of the allocation provision of the declaratory resolution is the
 9 lesser of:

- 10 (1) the assessed value of the property for the assessment date with
 11 respect to which the allocation and distribution is made; or
 12 (2) the base assessed value.

13 (d) Property tax proceeds allocable to the redevelopment district
 14 under subsection (b)(2) may, subject to subsection (b)(3), be
 15 irrevocably pledged by the redevelopment district for payment as set
 16 forth in subsection (b)(2).

17 (e) Notwithstanding any other law, each assessor shall, upon
 18 petition of the redevelopment commission, reassess the taxable
 19 property situated upon or in, or added to, the allocation area, effective
 20 on the next assessment date after the petition.

21 (f) Notwithstanding any other law, the assessed value of all taxable
 22 property in the allocation area, for purposes of tax limitation, property
 23 tax replacement, and formulation of the budget, tax rate, and tax levy
 24 for each political subdivision in which the property is located is the
 25 lesser of:

- 26 (1) the assessed value of the property as valued without regard to
 27 this section; or
 28 (2) the base assessed value.

29 (g) If any part of the allocation area is located in an enterprise zone
 30 created under IC 5-28-15, the unit that designated the allocation area
 31 shall create funds as specified in this subsection. A unit that has
 32 obligations, bonds, or leases payable from allocated tax proceeds under
 33 subsection (b)(2) shall establish an allocation fund for the purposes
 34 specified in subsection (b)(2) and a special zone fund. Such a unit
 35 shall, until the end of the enterprise zone phase out period, deposit each
 36 year in the special zone fund any amount in the allocation fund derived
 37 from property tax proceeds in excess of those described in subsection
 38 (b)(1) from property located in the enterprise zone that exceeds the
 39 amount sufficient for the purposes specified in subsection (b)(2) for the
 40 year. The amount sufficient for purposes specified in subsection (b)(2)
 41 for the year shall be determined based on the pro rata portion of such
 42 current property tax proceeds from the part of the enterprise zone that

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1 is within the allocation area as compared to all such current property
 2 tax proceeds derived from the allocation area. A unit that has no
 3 obligations, bonds, or leases payable from allocated tax proceeds under
 4 subsection (b)(2) shall establish a special zone fund and deposit all the
 5 property tax proceeds in excess of those described in subsection (b)(1)
 6 in the fund derived from property tax proceeds in excess of those
 7 described in subsection (b)(1) from property located in the enterprise
 8 zone. The unit that creates the special zone fund shall use the fund
 9 (based on the recommendations of the urban enterprise association) for
 10 programs in job training, job enrichment, and basic skill development
 11 that are designed to benefit residents and employers in the enterprise
 12 zone or other purposes specified in subsection (b)(2), except that where
 13 reference is made in subsection (b)(2) to allocation area it shall refer
 14 for purposes of payments from the special zone fund only to that part
 15 of the allocation area that is also located in the enterprise zone. Those
 16 programs shall reserve at least one-half (1/2) of their enrollment in any
 17 session for residents of the enterprise zone.

18 (h) The state board of accounts and department of local government
 19 finance shall make the rules and prescribe the forms and procedures
 20 that they consider expedient for the implementation of this chapter.
 21 After each general reassessment under IC 6-1.1-4, the department of
 22 local government finance shall adjust the base assessed value one (1)
 23 time to neutralize any effect of the general reassessment on the
 24 property tax proceeds allocated to the redevelopment district under this
 25 section. After each annual adjustment under IC 6-1.1-4-4.5, the
 26 department of local government finance shall adjust the base assessed
 27 value one (1) time to neutralize any effect of the annual adjustment on
 28 the property tax proceeds allocated to the redevelopment district under
 29 this section. However, the adjustments under this subsection may not
 30 include the effect of property tax abatements under IC 6-1.1-12.1, and
 31 these adjustments may not produce less property tax proceeds allocable
 32 to the redevelopment district under subsection (b)(2) than would
 33 otherwise have been received if the general reassessment or annual
 34 adjustment had not occurred. The department of local government
 35 finance may prescribe procedures for county and township officials to
 36 follow to assist the department in making the adjustments.

37 (i) The allocation deadline referred to in subsection (b) is
 38 determined in the following manner:

39 (1) The initial allocation deadline is December 31, 2011.

40 (2) Subject to subdivision (3), the initial allocation deadline and
 41 subsequent allocation deadlines are automatically extended in
 42 increments of five (5) years, so that allocation deadlines

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subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 23. IC 36-7-14-41 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 41. (a) The commission may, by following the procedures set forth in sections 15 through 17 of this chapter, approve a plan for and determine that a geographic area in the redevelopment district is an economic development area. Designation of an economic development area is subject to judicial review in the manner prescribed in section 18 of this chapter.

(b) The commission may determine that a geographic area is an economic development area if it finds that:

(1) the plan for the economic development area:

(A) promotes significant opportunities for the gainful employment of its citizens;

(B) attracts a major new business enterprise to the unit;

(C) retains or expands a significant business enterprise existing in the boundaries of the unit; or

(D) meets other purposes of this section and sections 2.5 and 43 of this chapter;

(2) the plan for the economic development area cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without resort to the powers allowed under this section and sections 2.5 and 43 of this chapter because of:

(A) lack of local public improvement;

(B) existence of improvements or conditions that lower the value of the land below that of nearby land;

(C) multiple ownership of land; or

(D) other similar conditions;

(3) the public health and welfare will be benefited by accomplishment of the plan for the economic development area;

(4) the accomplishment of the plan for the economic development area will be a public utility and benefit as measured by:

(A) the attraction or retention of permanent jobs;

(B) an increase in the property tax base;

(C) improved diversity of the economic base; or

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1 (D) other similar public benefits; and
 2 (5) the plan for the economic development area conforms to other
 3 development and redevelopment plans for the unit.

4 (c) The determination that a geographic area is an economic
 5 development area must be approved by the unit's legislative body. The
 6 approval may be given either before or after judicial review is
 7 requested. The requirement that the unit's legislative body approve
 8 economic development areas does not prevent the commission from
 9 amending the plan for the economic development area. However, the
 10 enlargement of any boundary in the economic development area must
 11 be approved by the unit's legislative body, **and a boundary may not**
 12 **be enlarged unless the existing area does not generate sufficient**
 13 **revenue to meet the financial obligations of the original project.**

14 SECTION 24. IC 36-7-14-43, AS AMENDED BY P.L.185-2005,
 15 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2008]: Sec. 43. (a) All of the rights, powers, privileges, and
 17 immunities that may be exercised by the commission in a
 18 redevelopment project area or urban renewal area may be exercised by
 19 the commission in an economic development area, subject to the
 20 following:

21 (1) The content and manner of exercise of these rights, powers,
 22 privileges, and immunities shall be determined by the purposes
 23 and nature of an economic development area.

24 (2) Real property (or interests in real property) relative to which
 25 action is taken in an economic development area **established**
 26 **before July 1, 2008**, is not required to meet the conditions
 27 described in IC 36-7-1-3. **However, real property (or interests**
 28 **in real property) relative to which action is taken in an**
 29 **economic development area established after June 30, 2008,**
 30 **or in territory added to an existing economic development**
 31 **area after June 30, 2008, must meet the conditions described**
 32 **in IC 36-7-1-3, unless the action being taken is necessary in**
 33 **order to:**

34 (A) fulfill the terms of agreements or pledges entered into
 35 before July 1, 2008, with the holders of bonds or other
 36 contractual obligations that were issued or entered into
 37 before July 1, 2008; or

38 (B) otherwise prevent an impairment of the rights or
 39 remedies of the holders of bonds or other contractual
 40 obligations that were issued or entered into before July 1,
 41 2008.

42 (3) The special tax levied in accordance with section 27 of this

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chapter may be used to carry out activities under this chapter in economic development areas.

(4) Bonds may be issued in accordance with section 25.1 of this chapter to defray expenses of carrying out activities under this chapter in economic development areas **if no other revenue sources are available for this purpose.**

(5) The tax exemptions set forth in section 37 of this chapter are applicable in economic development areas.

(6) An economic development area may be an allocation area for the purposes of distribution and allocation of property taxes.

(7) The commission may not use its power of eminent domain under section 20 of this chapter to carry out activities under this chapter in an economic development area.

(b) The content and manner of discharge of duties set forth in section 11 of this chapter shall be determined by the purposes and nature of an economic development area.

SECTION 25. IC 36-7-14-48, AS AMENDED BY P.L.219-2007, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's

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median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) Providing each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, the commission may provide this credit only if the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4(a)(1) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) The commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c). Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in a year. The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

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(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 25.2 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 39(b) of this chapter, the allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 39(b)(2)(A) through 39(b)(2)(H) and 39(b)(2)(J) of this chapter for property that is residential in nature.

(2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

The allocation fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for a program adopted under section 45 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which ~~property taxes payable to the allocation fund in the following year~~ **the assessed value of the taxable property in the allocation area, when multiplied by the estimated tax rate of the allocation area,** will exceed the amount of **assessed value needed to produce the** property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 39(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 39(b)(2) of this chapter; and

(C) to reimburse the county or municipality for anticipated expenditures described in subsection (e)(2).

(2) ~~Notify~~ **Provide a written notice to** the county auditor, ~~of the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly~~

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or partly located within the allocation area. The notice must:

(A) state the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter; or

(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 26. IC 36-7-14.5-12.5, AS AMENDED BY P.L.219-2007, SECTION 127, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12.5. (a) This section applies only to an authority in a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed.

(b) In order to accomplish the purposes set forth in section 11 of this chapter, an authority may create an economic development area:

(1) by following the procedures set forth in IC 36-7-14-41 for the establishment of an economic development area by a redevelopment commission; and

(2) with the same effect as if the economic development area was created by a redevelopment commission.

The area established under this section shall be established only in the area where a United States government military base that is scheduled for closing or is completely or partially inactive or closed is or was located.

(c) In order to accomplish the purposes set forth in section 11 of this chapter, an authority may do the following in a manner that serves an

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economic development area created under this section:

(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of economic development areas located within the corporate boundaries of the unit.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of economic development areas on the terms and conditions that the authority considers best for the unit and the unit's inhabitants.

(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.

(4) Clear real property acquired for redevelopment purposes.

(5) Repair and maintain structures acquired for redevelopment purposes.

(6) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.

(7) Survey or examine any land to determine whether the land should be included within an economic development area to be acquired for redevelopment purposes and to determine the value of that land.

(8) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any economic development area within the jurisdiction of the authority.

(9) Institute or defend in the name of the unit any civil action, but all actions against the authority must be brought in the circuit or superior court of the county where the authority is located.

(10) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the authority.

(11) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit subject to the same conditions and procedures that apply to the exercise of the power of eminent domain by a redevelopment commission under

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1 IC 36-7-14.

2 (12) Appoint an executive director, appraisers, real estate experts,
3 engineers, architects, surveyors, and attorneys.

4 (13) Appoint clerks, guards, laborers, and other employees the
5 authority considers advisable, except that those appointments
6 must be made in accordance with the merit system of the unit if
7 such a system exists.

8 (14) Prescribe the duties and regulate the compensation of
9 employees of the authority.

10 (15) Provide a pension and retirement system for employees of
11 the authority by using the public employees' retirement fund or a
12 retirement plan approved by the United States Department of
13 Housing and Urban Development.

14 (16) Discharge and appoint successors to employees of the
15 authority subject to subdivision (13).

16 (17) Rent offices for use of the department or authority, or accept
17 the use of offices furnished by the unit.

18 (18) Equip the offices of the authority with the necessary
19 furniture, furnishings, equipment, records, and supplies.

20 (19) Design, order, contract for, and construct, reconstruct,
21 improve, or renovate the following:

22 (A) Any local public improvement or structure that is
23 necessary for redevelopment purposes or economic
24 development within the corporate boundaries of the unit.

25 (B) Any structure that enhances development or economic
26 development.

27 (20) Contract for the construction, extension, or improvement of
28 pedestrian skyways (as defined in IC 36-7-14-12.2(c)).

29 (21) Accept loans, grants, and other forms of financial assistance
30 from, or contract with, the federal government, the state
31 government, a municipal corporation, a special taxing district, a
32 foundation, or any other source.

33 (22) Make and enter into all contracts and agreements necessary
34 or incidental to the performance of the duties of the authority and
35 the execution of the powers of the authority under this chapter.

36 (23) Take any action necessary to implement the purpose of the
37 authority.

38 (24) Provide financial assistance, in the manner that best serves
39 the purposes set forth in section 11 of this chapter, including
40 grants and loans, to enable private enterprise to develop,
41 redevelop, and reuse military base property or otherwise enable
42 private enterprise to provide social and economic benefits to the

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citizens of the unit.

(d) An authority may designate all or a portion of an economic development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the allocation area by promoting economic development that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30, 1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997, and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39 ~~IC 36-7-14-39.1~~, and IC 36-7-14-39.5 apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(2), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

- (1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or benefiting that allocation area.
- (2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).
- (3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.
- (4) Reimburse any other governmental body for expenditures made by it for local public improvements or structures in or serving or benefiting that allocation area.

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(5) **Subject to the approval of the legislative body of the unit that established the authority**, pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under IC 36-7-14-39.5 in the same year.

(6) Pay expenses incurred by the authority for local public improvements or structures that are in the allocation area or serving or benefiting the allocation area.

(7) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(A) in the allocation area; and

(B) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in clause (B). The reimbursements under this subdivision must be made within three (3) years after the date on

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which the investments that are the basis for the increment financing are made. The allocation fund may not be used for operating expenses of the authority.

(e) In addition to other methods of raising money for property acquisition, redevelopment, or economic development activities in or directly serving or benefitting an economic development area created by an authority under this section, and in anticipation of the taxes allocated under subsection (d), other revenues of the authority, or any combination of these sources, the authority may, by resolution, issue the bonds of the special taxing district in the name of the unit. Bonds issued under this section may be issued in any amount without limitation. The following apply if such a resolution is adopted:

(1) The authority shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(2) The bonds must be executed by the appropriate officer of the unit and attested by the unit's fiscal officer.

(3) The bonds are exempt from taxation for all purposes.

(4) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(5) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the authority:

(A) from the tax proceeds allocated under subsection (d);

(B) from other revenues available to the authority; or

(C) from a combination of the methods stated in clauses (A) and (B).

(6) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed:

(A) five (5) years from the date of issuance, for bonds issued before July 1, 2008; or

(B) two (2) years from the date of issuance, for bonds issued after June 30, 2008.

(7) Laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against the issuance of bonds ~~do not~~ apply to bonds issued under this section. **However, this subdivision does not apply to bonds that were:**

(A) issued before July 1, 2008;

(B) issued after June 30, 2008, but authorized by a resolution adopted under this section before July 1, 2008;

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or

(C) issued after June 30, 2008, in order to:

(i) fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008; or

(ii) otherwise prevent an impairment of the rights or remedies of the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008.

(8) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(9) If bonds are issued under this chapter that are payable solely or in part from revenues to the authority from a project or projects, the authority may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority. The authority may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the authority that are payable solely from revenues of the authority shall contain a statement to that effect in the form of bond.

(f) Notwithstanding section 8(a) of this chapter, an ordinance adopted under section 11 of this chapter may provide, or be amended to provide, that the board of directors of the authority shall be composed of not fewer than three (3) nor more than eleven (11) members, who must be residents of the unit appointed by the executive of the unit.

(g) The acquisition of real and personal property by an authority under this section is not subject to the provisions of IC 5-22, IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the purchase of property by public bodies or their agencies.

(h) An authority may negotiate for the sale, lease, or other disposition of real and personal property without complying with the provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other

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statute governing the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation.

SECTION 27. IC 36-7-15.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. A member of the commission **or a nonvoting adviser appointed under IC 36-7-4-207** may not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. However, any property required for redevelopment purposes in which a member **or nonvoting adviser** has a pecuniary interest may be acquired but only by gift or condemnation.

SECTION 28. IC 36-7-15.1-7, AS AMENDED BY P.L.221-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) In carrying out its duties and purposes under this chapter, the commission may do the following:

(1) Acquire by purchase, exchange, gift, grant, lease, or condemnation, or any combination of methods, any real or personal property or interest in property needed for the redevelopment of areas needing redevelopment that are located within the redevelopment district.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, invest in, or otherwise dispose of, through any combination of methods, property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the commission considers best for the city and its inhabitants.

(3) Acquire from and sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the city, or to any other governmental agency, for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes, on any terms that may be agreed upon.

(4) Clear real property acquired for redevelopment purposes.

(5) Enter on or into, inspect, investigate, and assess real property

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and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(7) Repair and maintain structures acquired or to be acquired for redevelopment purposes.

(8) Enter upon, survey, or examine any land, to determine whether it should be included within an area needing redevelopment to be acquired for redevelopment purposes, and determine the value of that land.

(9) Appear before any other department or agency of the city, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any area needing redevelopment within the jurisdiction of the commission.

(10) **Subject to section 13 of this chapter**, exercise the power of eminent domain in the name of the city, within the redevelopment district, in the manner prescribed by this chapter.

(11) Establish a uniform fee schedule whenever appropriate for the performance of governmental assistance, or for providing materials and supplies to private persons in project or program related activities.

(12) Expend, on behalf of the redevelopment district, all or any part of the money available for the purposes of this chapter.

(13) Contract for the construction, extension, or improvement of pedestrian skyways.

(14) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(15) Provide financial assistance (including grants and loans) to enable individuals and families to purchase or lease residential

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units within the district. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(16) Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:

(A) provide financial assistance for the purposes described in subdivision (15); or

(B) construct, rehabilitate, or repair commercial property within the district.

(17) Require as a condition of financial assistance to the owner of a multiunit residential structure that any of the units leased by the owner must be leased:

(A) for a period to be determined by the commission, which may not be less than five (5) years;

(B) to families whose income does not exceed eighty percent (80%) of the county's median income for families; and

(C) at an affordable rate.

Conditions imposed by the commission under this subdivision remain in force throughout the period determined under clause (A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(18) Provide programs in job training, job enrichment, and basic skill development for residents of an enterprise zone.

(19) Provide loans and grants for the purpose of stimulating business activity in an enterprise zone or providing employment for residents of an enterprise zone.

(20) Contract for the construction, extension, or improvement of:

(A) public ways, sidewalks, sewers, waterlines, parking facilities, park or recreational areas, or other local public improvements (as defined in IC 36-7-15.3-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the redevelopment district; or

(B) any structure that enhances development or economic development.

(b) In addition to its powers under subsection (a), the commission may plan and undertake, alone or in cooperation with other agencies, projects for the redevelopment of, rehabilitating, preventing the spread of, or eliminating slums or areas needing redevelopment, both residential and nonresidential, which projects may include any of the

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following:

(1) The repair or rehabilitation of buildings or other improvements by the commission, owners, or tenants.

(2) The acquisition of real property.

(3) Either of the following with respect to environmental contamination on real property:

(A) Investigation.

(B) Remediation.

(4) The demolition and removal of buildings or improvements on buildings acquired by the commission where necessary for any of the following:

(A) To eliminate unhealthful, unsanitary, or unsafe conditions.

(B) To mitigate or eliminate environmental contamination.

(C) To lessen density.

(D) To reduce traffic hazards.

(E) To eliminate obsolete or other uses detrimental to public welfare.

(F) To otherwise remove or prevent the conditions described in IC 36-7-1-3.

(G) To provide land for needed public facilities.

(5) The preparation of sites and the construction of improvements (such as public ways and utility connections) to facilitate the sale or lease of property.

(6) The construction of buildings or facilities for residential, commercial, industrial, public, or other uses.

(7) The disposition in accordance with this chapter, for uses in accordance with the plans for the projects, of any property acquired in connection with the projects.

(c) The commission may use its powers under this chapter relative to real property and interests in real property obtained by voluntary sale or transfer, even though the real property and interests in real property are not located in a redevelopment or urban renewal project area established by the adoption and confirmation of a resolution under sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property and interests in real property outside of a redevelopment or urban renewal project area, the commission shall comply with section 12(b) through 12(e) of this chapter. The commission shall hold, develop, use, and dispose of this real property and interests in real property substantially in accordance with section 15 of this chapter.

(d) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural

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1 supports required to connect skyways to buildings or buildings under
 2 construction. Pedestrian skyways constructed, extended, or improved
 3 over or through public or private property constitute public property
 4 and public improvements, constitute a public use and purpose, and do
 5 not require vacation of any public way or other property.

6 (e) All powers that may be exercised under this chapter by the
 7 commission may also be exercised by the commission in carrying out
 8 its duties and purposes under IC 36-7-15.3.

9 SECTION 29. IC 36-7-15.1-8, AS AMENDED BY P.L.185-2005,
 10 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2008]: Sec. 8. (a) Whenever the commission finds that:

12 (1) an area in the redevelopment district is an area needing
 13 redevelopment;

14 (2) the conditions described in IC 36-7-1-3 cannot be corrected in
 15 the area by regulatory processes or by the ordinary operations of
 16 private enterprise without resort to this chapter; and

17 (3) the public health and welfare will be benefited by:

18 (A) the acquisition and redevelopment of the area under this
 19 chapter **as a redevelopment project area or an urban**
 20 **renewal area; or**

21 (B) **the amendment of the resolution or plan, or both, for**
 22 **an existing redevelopment project area or urban renewal**
 23 **area; and**

24 (4) **in the case of an amendment to the resolution or plan for**
 25 **an existing redevelopment project area or urban renewal**
 26 **area:**

27 (A) **the amendment is reasonable and appropriate when**
 28 **considered in relation to the original resolution or plan and**
 29 **the purposes of this chapter;**

30 (B) **the resolution or plan, with the proposed amendment,**
 31 **conforms to the comprehensive plan for the unit; and**

32 (C) **if the amendment enlarges the boundaries of the area,**
 33 **the existing area does not generate sufficient revenue to**
 34 **meet the financial obligations of the original project;**

35 the commission shall cause to be prepared a redevelopment or urban
 36 renewal plan.

37 (b) The redevelopment or urban renewal plan must include:

38 (1) maps, plats, or maps and plats, showing:

39 (A) **the boundaries of the area needing redevelopment; in**
 40 **which property would be acquired for, or otherwise**
 41 **affected by, the establishment of a redevelopment project**
 42 **area or urban renewal area, or the amendment of the**

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resolution or plan for an existing area;

(B) the location of the various parcels of property, public ways, and other features affecting the acquisition, clearance, replatting, replanning, rezoning, or redevelopment of the area or areas, indicating any parcels of property to be excluded from the acquisition or otherwise excluded from the effects of the establishment of the redevelopment project area or the amendment of the resolution or plan for an existing area; and

~~(B)~~ **(C) the parts of the area acquired that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes;**

(2) lists of the owners of the various parcels of property proposed to be acquired for, or otherwise affected by, the establishment of an area or the amendment of the resolution or plan for an existing area; and

(3) an estimate of the cost of costs, if any, to be incurred for the acquisition and redevelopment of property.

(c) This subsection applies to the initial establishment of a redevelopment project area or urban renewal area. After completion of the data required by subsection (b), the commission shall adopt a resolution declaring that:

(1) the area needing redevelopment is a detriment to the social or economic interests of the consolidated city and its inhabitants;

(2) it will be of public utility and benefit to acquire the area and redevelop it under this chapter; and

(3) the area is designated as a redevelopment project area for purposes of this chapter.

The resolution must state the general boundaries of the redevelopment project area and identify the interests in real or personal property, if any, that the department proposes to acquire in the area.

(d) This subsection applies to the amendment of the resolution or plan for an existing redevelopment project area or urban renewal area. After completion of the data required by subsection (b), the redevelopment commission shall adopt a resolution declaring that:

(1) if the amendment enlarges the boundaries of the area, the existing area does not generate sufficient revenue to meet the financial obligations of the original project;

(2) it will be of public utility and benefit to amend the resolution or plan for the area; and

(3) any additional area to be acquired under the amendment

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1 is designated as part of the existing redevelopment project
2 area or urban renewal area for purposes of this chapter.

3 The resolution must state the general boundaries of the
4 redevelopment project area or urban renewal area, including any
5 changes made to those boundaries by the amendment, and describe
6 the activities that the department is permitted to take under the
7 amendment, with any designated exceptions.

8 ~~(d)~~ (e) For the purpose of adopting a resolution under subsection (c)
9 or (d), it is sufficient to describe the boundaries of the redevelopment
10 project area by its location in relation to public ways or streams, or
11 otherwise, as determined by the commission. Property proposed for
12 acquisition may be described by street numbers or location.

13 SECTION 30. IC 36-7-15.1-9, AS AMENDED BY P.L.185-2005,
14 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2008]: Sec. 9. (a) After or concurrent with adoption of a
16 resolution under section 8 of this chapter, the commission shall
17 determine whether the resolution and the redevelopment plan conform
18 to the comprehensive plan of development for the consolidated city and
19 approve or disapprove the resolution and plan proposed. **If the**
20 **commission approves the resolution and plan, it shall submit the**
21 **resolution and plan to the legislative body of the consolidated city,**
22 **which may approve or disapprove the resolution and plan.**

23 (b) In determining the location and extent of a redevelopment
24 project area proposed to be acquired for redevelopment, the
25 commission shall give consideration to transitional and permanent
26 provisions for adequate housing for the residents of the area who will
27 be displaced by the redevelopment project.

28 SECTION 31. IC 36-7-15.1-10 IS AMENDED TO READ AS
29 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) After approval
30 **by the commission and the legislative body of the consolidated city**
31 under section 9 of this chapter, the commission shall publish notice of
32 the adoption and substance of the resolution in accordance with
33 IC 5-3-1. The notice must:

34 (1) state that maps, plats, or maps and plats have been prepared
35 and can be inspected at the office of the department; ~~The notice~~
36 ~~must also and~~

37 (2) name a date when the commission will:

38 (A) receive and hear remonstrances and other testimony from
39 persons interested in or affected by the proceeding pertaining
40 to the proposed project **or other actions to be taken under**
41 **the resolution;** and ~~with~~

42 (B) determine the public utility and benefit of the proposed

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1 **project or other actions.**

2 All persons affected in any manner by the hearing, including all
3 taxpayers of the redevelopment district, shall be considered notified of
4 the pendency of the hearing and of subsequent acts, hearings,
5 adjournments, and orders of the commission by the notice given under
6 this section.

7 (b) A copy of the notice of the hearing on the resolution shall be
8 filed in the office of the commission, board of zoning appeals, works
9 board, park board, and any other departments, bodies, or officers of the
10 consolidated city having to do with planning, variances from zoning
11 ordinances, land use, or the issuance of building permits. These
12 agencies and officers shall take notice of the pendency of the hearing,
13 and until the commission confirms, modifies and confirms, or rescinds
14 the resolution, or the confirmation of the resolution is set aside on
15 appeal, they may not, without approval of the commission:

16 (1) authorize any construction on property or sewers in the area
17 described in the resolution, including substantial modifications,
18 rebuilding, conversion, enlargement, additions, and major
19 structural improvements; or

20 (2) take any action regarding the zoning or rezoning of property,
21 or the opening, closing, or improvement of public ways in the area
22 described in the resolution.

23 This subsection does not prohibit the granting of permits for ordinary
24 maintenance or minor remodeling, or for changes necessary for the
25 continued occupancy of buildings in the area.

26 (c) If the resolution to be considered at the hearing includes a
27 provision establishing or amending an allocation provision under
28 section 26 of this chapter, the commission shall file the following
29 information with each taxing unit that is wholly or partly located within
30 the allocation area:

31 (1) A copy of the notice required by subsection (a).

32 (2) A statement disclosing the impact of the allocation area,
33 including the following:

34 (A) The estimated economic benefits and costs incurred by the
35 allocation area, as measured by increased employment and
36 anticipated growth of real property assessed values.

37 (B) The anticipated impact on tax revenues of each taxing unit.

38 The commission shall file the information required by this subsection
39 with the officers of the taxing unit who are authorized to fix budgets,
40 tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days
41 before the date of the hearing.

42 (d) At the hearing, which may be adjourned from time to time, the

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commission shall hear all persons interested in the proceedings and shall consider all written remonstrances and objections that have been filed. After considering the evidence presented, the commission shall take final action determining the public utility and benefit of the proposed project **or other actions to be taken under the resolution**, and confirming, modifying and confirming, or rescinding the resolution. The final action taken by the commission shall be recorded and is final and conclusive, except that an appeal may be taken under section 11 of this chapter.

SECTION 32. IC 36-7-15.1-10.5, AS AMENDED BY P.L.185-2005, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10.5. (a) The commission must conduct a public hearing before amending a resolution or plan for a redevelopment project area, an urban renewal project area, or an economic development area. The commission shall give notice of the hearing in accordance with IC 5-3-1. The notice must:

- (1) set forth the substance of the proposed amendment;
- (2) state the time and place where written remonstrances against the proposed amendment may be filed;
- (3) set forth the time and place of the hearing; and
- (4) state that the commission will hear any person who has filed a written remonstrance during the filing period set forth under subdivision (2).

(b) For the purposes of this section, the consolidation of areas is not considered the enlargement of the boundaries of an area.

(c) When the commission proposes to amend a resolution or plan, the commission is not required to have evidence or make findings that were required for the establishment of the original redevelopment project area, urban renewal area, or economic development area. However, the commission must make the following findings before approving the amendment:

- (1) The amendment is reasonable and appropriate when considered in relation to the original resolution or plan and the purposes of this chapter.
- (2) The resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the county.

(d) (a) In addition to the requirements of subsection (a), **section 10 of this chapter**, if the resolution or plan **for an existing redevelopment project area or urban renewal area** is proposed to be amended in a way that changes:

- (1) parts of the area that are to be devoted to a public way, levee,

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1 sewerage, park, playground, or other public purpose;
 2 (2) the proposed use of the land in the area; or
 3 (3) requirements for rehabilitation, building requirements,
 4 proposed zoning, maximum densities, or similar requirements;
 5 the commission must, at least ten (10) days before the public hearing
 6 **under section 10 of this chapter**, send the notice required by
 7 **subsection (a) section 10 of this chapter** by first class mail to affected
 8 neighborhood associations.

9 ~~(e)~~ **(b)** In addition to the requirements of ~~subsection (a)~~, **section 10**
 10 **of this chapter**, if the resolution or plan **for an existing**
 11 **redevelopment project area or urban renewal area** is proposed to
 12 be amended in a way that:

13 (1) enlarges the boundaries of the area; ~~by not more than twenty~~
 14 ~~percent (20%) of the original area~~; or

15 (2) adds one (1) or more parcels to the list of parcels to be
 16 acquired;

17 the commission must, at least ten (10) days before the public hearing
 18 **under section 10 of this chapter**, send the notice required by
 19 **subsection (a) section 10 of this chapter** by first class mail to affected
 20 neighborhood associations and to persons owning property that is in the
 21 proposed enlargement of the area or that is proposed to be added to the
 22 acquisition list. If the enlargement of an area is proposed, notice must
 23 also be filed in accordance with section 10(b) of this chapter, and
 24 agencies and officers may not take actions prohibited by section 10(b)
 25 in the proposed enlarged area.

26 ~~(f)~~ Notwithstanding subsections (a) and (c), if the resolution or plan
 27 is proposed to be amended in a way that enlarges the original
 28 boundaries of the area by more than twenty percent (20%), the
 29 commission must use the procedure provided for the original
 30 establishment of areas and must comply with sections 8 through 10 of
 31 this chapter.

32 ~~(g)~~ At the hearing on the amendments, the commission shall
 33 consider written remonstrances that are filed. The action of the
 34 commission on the amendment shall be recorded and is final and
 35 conclusive, except that:

36 (1) the city-county legislative body must also approve the
 37 enlargement of the boundaries of an economic development area;
 38 and

39 (2) an appeal of the commission's action may be taken under
 40 section 11 of this chapter.

41 ~~(h)~~ **(c)** The commission may require that neighborhood associations
 42 register with the commission. The commission may adopt a rule that

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requires that a neighborhood association encompass a part of the geographic area included in or proposed to be included in a redevelopment project area, urban renewal area, or economic development area to qualify as an affected neighborhood association.

SECTION 33. IC 36-7-15.1-13, AS AMENDED BY P.L.185-2005, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. (a) **Subject to the approval of the city-county legislative body**, if the commission considers it necessary to acquire real property in a redevelopment project area by the exercise of the power of eminent domain, it shall adopt a resolution setting out its determination to exercise that power and directing its attorney to file a petition in the name of the city on behalf of the department in the circuit or superior court of the county.

(b) Eminent domain proceedings under this section are governed by IC 32-24.

SECTION 34. IC 36-7-15.1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. (a) For the purpose of raising money to carry out this chapter or IC 36-7-15.3, the city-county legislative body ~~shall~~ **may** levy each year a special tax upon all property in the redevelopment district. The tax so levied each year shall be certified to the fiscal officers of the city and the county before September 2 of each year. The tax shall be estimated and entered upon the tax duplicates by the county auditor, and shall be collected and enforced by the county treasurer in the same manner as state and county taxes are estimated, entered, collected, and enforced.

(b) As the tax is collected by the county treasurer, it shall be accumulated and kept in a separate fund to be known as the redevelopment district fund and shall be expended and applied only for the purposes of this chapter or IC 36-7-15.3.

(c) The amount of the special tax levy shall be based on the budget of the department but may not exceed one and sixty-seven hundredths cents (\$0.0167) on each one hundred dollars (\$100) of taxable valuation in the redevelopment district, except as otherwise provided in this chapter.

(d) The budgets and tax levies under this chapter are subject to review and modification in the manner prescribed by IC 36-3-6.

SECTION 35. IC 36-7-15.1-17, AS AMENDED BY P.L.219-2007, SECTION 128, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 19 of this chapter, the taxes allocated under

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section 26 of this chapter, or other revenues of the redevelopment district, the commission may, by resolution, issue the bonds of the redevelopment district in the name of the consolidated city and in accordance with IC 36-3-5-8. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

- (1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;
- (2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;
- (3) capitalized interest permitted in this chapter and a debt service reserve for the bonds, to the extent that the redevelopment commission determines that a reserve is reasonably required;
- (4) the total cost of all clearing and construction work provided for in the resolution; and
- (5) expenses that the commission is required or permitted to pay under IC 8-23-17.

(b) If the commission plans to acquire different parcels of land or let different contracts for redevelopment work at approximately the same time, whether under one (1) or more resolutions, the commission may provide for the total cost in one (1) issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and negotiable subject to the requirements of the bond resolution for the registration of the bonds. The resolution authorizing the bonds must state:

- (1) the denominations of the bonds;
- (2) the place or places at which the bonds are payable; and
- (3) the term of the bonds, which may not exceed:
 - (A) fifty (50) years, **for bonds issued before July 1, 2008; or**
 - (B) thirty (30) years, **for bonds issued after June 30, 2008.**

The resolution may also state that the bonds are redeemable before maturity with or without a premium, as determined by the commission.

(d) The commission shall certify a copy of the resolution authorizing the bonds to the fiscal officer of the consolidated city, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(e) The bonds shall be executed by the city executive and attested by the fiscal officer. The interest coupons, if any, shall be executed by the facsimile signature of the fiscal officer.

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(f) The bonds are exempt from taxation as provided by IC 6-8-5.

(g) The city fiscal officer shall sell the bonds according to law. Notwithstanding IC 36-3-5-8, bonds payable solely or in part from tax proceeds allocated under section 26(b)(2) of this chapter or other revenues of the district may be sold at private negotiated sale and at a price or prices not less than ninety-seven percent (97%) of the par value.

(h) The bonds are not a corporate obligation of the city but are an indebtedness of the redevelopment district. The bonds and interest are payable:

- (1) from a special tax levied upon all of the property in the redevelopment district, as provided by section 19 of this chapter;
- (2) from the tax proceeds allocated under section 26(b)(2) of this chapter;
- (3) from other revenues available to the commission; or
- (4) from a combination of the methods stated in subdivisions (1) through (3);

and from any revenues of the designated project. If the bonds are payable solely from the tax proceeds allocated under section 26(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(i) Proceeds from the sale of the bonds may be used to pay the cost of interest on the bonds for a period not to exceed:

- (1) five (5) years from the date of issue, **for bonds issued before July 1, 2008; or**
- (2) **two (2) years from the date of issue, for bonds issued after June 30, 2008.**

(j) ~~Notwithstanding~~ **As provided by IC 36-3-5-8, the laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against the issuance of bonds applicable to bonds issued under this chapter do not apply to bonds issued under this chapter. However, this subsection does not apply to bonds that:**

- (1) **are payable solely or in part from tax proceeds allocated under section 26(b)(2) of this chapter, other revenues of the commission, or any combination of these sources; and**
 - (2) **were:**
 - (A) **issued before July 1, 2008;**
 - (B) **issued after June 30, 2008, but authorized by a resolution adopted under this section before July 1, 2008;**
- or**

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(C) issued after June 30, 2008, in order to:

(i) fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008; or

(ii) otherwise prevent an impairment of the rights or remedies of the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008.

(k) If bonds are issued under this chapter that are payable solely or in part from revenues to the commission from a project or projects, the commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the commission. The commission may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the commission that are payable solely from revenues of the commission must contain a statement to that effect in the form of bond.

SECTION 36. IC 36-7-15.1-17.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17.1. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed:

(1) fifty (50) years, for a lease entered into before July 1, 2008;

or

(2) thirty (30) years, for a lease entered into after June 30, 2008.

The lease may provide for payments to be made by the commission from special benefits taxes levied under section 19 of this chapter, taxes allocated under section 26 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the

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1 facilities leased and may not create a debt of the unit or the district for
2 purposes of the Constitution of the State of Indiana.

3 (c) A lease may be entered into by the commission only after a
4 public hearing by the commission at which all interested parties are
5 given the opportunity to be heard. Notice of the hearing must be given
6 by publication in accordance with IC 5-3-1. After the public hearing,
7 the commission may adopt a resolution authorizing the execution of the
8 lease on behalf of the unit if it finds that the service to be provided
9 throughout the term of the lease will serve the public purpose of the
10 unit and is in the best interests of its residents. Any lease approved by
11 a resolution of the commission must be approved by an ordinance of
12 the fiscal body of the unit.

13 (d) Upon execution of a lease providing for payments by the
14 commission in whole or in part from the levy of special benefits taxes
15 under section 19 of this chapter and upon approval of the lease by the
16 fiscal body, the commission shall publish notice of the execution of the
17 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more
18 taxpayers residing in the district who will be affected by the lease and
19 who may be of the opinion that no necessity exists for the execution of
20 the lease or that the payments provided for in the lease are not fair and
21 reasonable may file a petition in the office of the county auditor within
22 thirty (30) days after the publication of the notice of execution and
23 approval. The petition must set forth the petitioners' names, addresses,
24 and objections to the lease and the facts showing that the execution of
25 the lease is unnecessary or unwise or that the payments provided for in
26 the lease are not fair and reasonable, as the case may be. Upon the
27 filing of the petition, the county auditor shall immediately certify a
28 copy of it, together with such other data as may be necessary in order
29 to present the questions involved, to the department of local
30 government finance. Upon receipt of the certified petition and
31 information, the department of local government finance shall fix a
32 time and place for the hearing in the redevelopment district, which
33 must be not less than five (5) or more than thirty (30) days after the
34 time for the hearing is fixed. Notice of the hearing shall be given by the
35 department of local government finance to the members of the fiscal
36 body, to the commission, and to the first fifty (50) petitioners on the
37 petition by a letter signed by the commissioner or deputy commissioner
38 of the department and enclosed with fully prepaid postage sent to those
39 persons at their usual place of residence, at least five (5) days before
40 the date of the hearing. The decision of the department of local
41 government finance on the appeal, upon the necessity for the execution
42 of the lease and as to whether the payments under it are fair and

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reasonable, is final.

(e) A commission entering into a lease payable from allocated taxes under section 26 of this chapter or revenues or other available funds of the commission may:

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and

(2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the commission to make the lease rental payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(f) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the department.

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 37. IC 36-7-15.1-22.5, AS AMENDED BY P.L.163-2006, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22.5. (a) **Subject to the approval of the county fiscal body**, the commission may acquire a parcel of real property by the exercise of eminent domain when the following conditions exist:

(1) The real property meets at least one (1) of the conditions described in IC 32-24-4.5-7(1).

(2) The real property is capable of being developed or rehabilitated to provide affordable housing for low or moderate

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1 income families or to provide other development that will benefit
2 or serve low or moderate income families.

3 (3) The real property suffers from one (1) or more of the
4 conditions listed in IC 36-7-1-3, resulting in a negative impact on
5 the use or value of the neighboring properties or other properties
6 in the community.

7 (b) The commission or its designated hearing examiner shall
8 conduct a public meeting to determine whether the conditions set forth
9 in subsection (a) exist relative to a parcel of real property. Each person
10 holding a fee or life estate interest of record in the property must be
11 given notice by first class mail of the time and date of the hearing at
12 least ten (10) days before the hearing, and is entitled to present
13 evidence and make arguments at the hearing.

14 (c) If the commission considers it necessary to acquire real property
15 under this section, it shall adopt a resolution setting out its
16 determination to exercise that power and directing its attorney to file
17 a petition in the name of the city on behalf of the department in the
18 circuit or superior court in the county.

19 (d) Eminent domain proceedings under this section are governed by
20 IC 32-24.

21 (e) The commission shall use real property acquired under this
22 section for one (1) of the following purposes:

23 (1) Sale in an urban homestead program under IC 36-7-17.

24 (2) Sale to a family whose income is at or below the county's
25 median income for families.

26 (3) Sale or grant to a neighborhood development corporation or
27 other nonprofit corporation, with a condition in the granting
28 clause of the deed requiring the nonprofit organization to lease or
29 sell the property to a family whose income is at or below the
30 county's median income for families or to cause development that
31 will serve or benefit families whose income is at or below the
32 county's median income for families. However, a nonprofit
33 organization is eligible for a sale or grant under this subdivision
34 only if the county fiscal body has determined that the nonprofit
35 organization meets the criteria established under subsection (f).

36 (4) Any other purpose appropriate under this chapter so long as
37 it will serve or benefit families whose income is at or below the
38 county's median income for families.

39 (f) The county fiscal body shall establish criteria for determining the
40 eligibility of neighborhood development corporations and other
41 nonprofit corporations for sales and grants of real property under
42 subsection (e)(3). A neighborhood development corporation or other

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1 nonprofit corporation may apply to the county fiscal body for a
 2 determination concerning the corporation's compliance with the criteria
 3 established under this subsection.

4 (g) A neighborhood development corporation or nonprofit
 5 corporation that receives property under this section must agree to
 6 rehabilitate or otherwise develop the property in a manner that is
 7 similar to and consistent with the use of the other properties in the area
 8 served by the corporation.

9 SECTION 38. IC 36-7-15.1-24 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 24. (a) **Subject to the**
 11 **approval of the legislative body of the consolidated city, and in**
 12 **order to:**

- 13 (1) undertake survey and planning activities under this chapter;
- 14 (2) undertake and carry out any redevelopment project, urban
- 15 renewal project, economic development plan, or housing
- 16 program;
- 17 (3) pay principal and interest on any advances;
- 18 (4) pay or retire any bonds and interest on them; or
- 19 (5) refund loans previously made under this section;

20 the commission may apply for and accept advances, short term and
 21 long term loans, grants, contributions, loan guarantees, and any other
 22 form of financial assistance from the federal government, or from any
 23 of its agencies. The commission may apply for and accept loans under
 24 this section from sources other than the federal government or federal
 25 agencies but only if the loans are unconditionally guaranteed by the
 26 federal government or federal agencies. The commission may also
 27 enter into and carry out contracts and agreements in connection with
 28 that financial assistance upon the terms and conditions that the
 29 commission considers reasonable and appropriate, as long as those
 30 terms and conditions are not inconsistent with the purposes of this
 31 chapter. The provisions of such a contract or agreement in regard to the
 32 handling, deposit, and application of project funds, as well as all other
 33 provisions, are valid and binding on the consolidated city or its
 34 executive departments and officers, as well as the commission,
 35 notwithstanding any other provision of this chapter.

36 (b) **Subject to the approval of the fiscal body of the consolidated**
 37 **city,** the commission may issue and sell bonds, notes, or warrants:

- 38 (1) to the federal government to evidence short term or long term
- 39 loans made under this section; or
- 40 (2) to persons or entities other than the federal government to
- 41 evidence short or long term loans made under this section that are
- 42 unconditionally guaranteed by the federal government or federal

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1 agencies;
 2 without notice of sale being given or a public offering being made.
 3 (c) Notwithstanding any other law, bonds, notes, or warrants issued
 4 by the commission under this section may:
 5 (1) be in the amounts, form, or denomination;
 6 (2) be either coupon or registered;
 7 (3) carry conversion or other privileges;
 8 (4) have a rank or priority;
 9 (5) be of such description;
 10 (6) be secured (subject to other provisions of this section) in such
 11 manner;
 12 (7) bear interest at a rate or rates;
 13 (8) be payable as to both principal and interest in a medium of
 14 payment, at a time or times (which may be upon demand) and at
 15 a place or places;
 16 (9) be subject to terms of redemption (with or without premium);
 17 (10) contain or be subject to any covenants, conditions, and
 18 provisions; and
 19 (11) have any other characteristics;
 20 that the commission considers reasonable and appropriate.
 21 (d) Bonds, notes, or warrants issued under this section are not an
 22 indebtedness of the city or redevelopment district within the meaning
 23 of any constitutional or statutory limitation of indebtedness. The bonds,
 24 notes, or warrants are not payable from or secured by a levy of taxes,
 25 but are payable only from and secured only by income, funds, and
 26 properties of the project becoming available to the commission under
 27 this chapter or by grant funds from the federal government, as the
 28 commission specifies in the resolution authorizing their issuance.
 29 (e) Bonds, notes, or warrants issued under this section are exempt
 30 from taxation as provided by IC 6-8-5.
 31 (f) Bonds, notes, or warrants issued under this section shall be
 32 executed by the city executive and attested by the fiscal officer in the
 33 name of the "City of _____, Department of
 34 Metropolitan Development".
 35 (g) Following the adoption of the resolution authorizing the issuance
 36 of bonds, notes, or warrants under this section, the commission shall
 37 certify a copy of that resolution to the officers of the city who have
 38 duties with respect to bonds, notes, or warrants of the city. At the
 39 proper time, the commission shall deliver to the officers the unexecuted
 40 bonds, notes, or warrants prepared for execution in accordance with the
 41 resolution.
 42 (h) All bonds, notes, or warrants issued under this section shall be

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1 sold by the officers of the city who have duties with respect to the sale
 2 of bonds, notes, or warrants of the city. If an officer whose signature
 3 appears on any bonds, notes, or warrants issued under this section
 4 leaves office before their delivery, the signature remains valid and
 5 sufficient for all purposes as if he had remained in office until the
 6 delivery.

7 (i) If at any time during the life of a loan contract or agreement
 8 under this section the commission can obtain loans for the purposes of
 9 this section from sources other than the federal government at interest
 10 rates not less favorable than provided in the loan contract or agreement,
 11 and if the loan contract or agreement so permits, the commission may
 12 do so and may pledge the loan contract and any rights under that
 13 contract as security for the repayment of the loans obtained from other
 14 sources. Any loan under this subsection may be evidenced by bonds,
 15 notes, or warrants issued and secured in the same manner as provided
 16 in this section for loans from the federal government. These bonds,
 17 notes, or warrants may be sold at either public or private sale, as the
 18 commission considers appropriate.

19 (j) Money obtained from the federal government or from other
 20 sources under this section, and money that is required by a contract or
 21 agreement under this section to be used for project expenditure
 22 purposes, repayment of survey and planning advances, or repayment of
 23 temporary or definitive loans, may be expended by the commission
 24 without regard to any law pertaining to the making and approval of
 25 budgets, appropriations, and expenditures.

26 (k) Bonds, notes, or warrants issued under this section are declared
 27 to be issued for an essential public and governmental purpose.

28 SECTION 39. IC 36-7-15.1-26, AS AMENDED BY P.L.154-2006,
 29 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2008]: Sec. 26. (a) As used in this section:

31 "Allocation area" means that part of a redevelopment project area
 32 to which an allocation provision of a resolution adopted under section
 33 8 of this chapter refers for purposes of distribution and allocation of
 34 property taxes.

35 "Base assessed value" means the following:

36 (1) If an allocation provision is adopted after June 30, 1995, in a
 37 declaratory resolution or an amendment to a declaratory
 38 resolution establishing an economic development area:

39 (A) the net assessed value of all the property as finally
 40 determined for the assessment date immediately preceding the
 41 effective date of the allocation provision of the declaratory
 42 resolution, as adjusted under subsection (h); plus

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(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes"

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means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, **with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding.** The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of

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the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the

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1 industrial facilities described in this clause. The
 2 reimbursements under this clause must be made within three
 3 (3) years after the date on which the investments that are the
 4 basis for the increment financing are made.

5 The special fund may not be used for operating expenses of the
 6 commission.

7 (3) Before July 15 of each year, the commission shall do the
 8 following:

9 (A) Determine the amount, if any, by which the ~~base~~ assessed
 10 value **of the taxable property in the allocation area**, when
 11 multiplied by the estimated tax rate of the ~~allocated~~ allocation
 12 area, will exceed the amount of assessed value needed to
 13 provide the property taxes necessary to make, when due,
 14 principal and interest payments on bonds described in
 15 subdivision (2) plus the amount necessary for other purposes
 16 described in subdivision (2) and subsection (g).

17 (B) ~~Notify~~ **Provide a written notice to** the county auditor, **of**
 18 **the legislative body of the consolidated city, and the**
 19 **officers who are authorized to fix budgets, tax rates, and**
 20 **tax levies under IC 6-1.1-17-5 for each of the other taxing**
 21 **units that is wholly or partly located within the allocation**
 22 **area. The notice must:**

23 (i) **state** the amount, if any, of excess assessed value that the
 24 commission has determined may be allocated to the
 25 respective taxing units in the manner prescribed in
 26 subdivision (1); **or**

27 (ii) **state that the commission has determined that there**
 28 **is no excess assessed value that may be allocated to the**
 29 **respective taxing units in the manner prescribed in**
 30 **subdivision (1).**

31 **The county auditor shall allocate to the respective taxing**
 32 **units the amount, if any, of excess assessed value**
 33 **determined by the commission.** The commission may not
 34 authorize an allocation to the respective taxing units under this
 35 subdivision if to do so would endanger the interests of the
 36 holders of bonds described in subdivision (2).

37 (c) For the purpose of allocating taxes levied by or for any taxing
 38 unit or units, the assessed value of taxable property in a territory in the
 39 allocation area that is annexed by any taxing unit after the effective
 40 date of the allocation provision of the resolution is the lesser of:

41 (1) the assessed value of the property for the assessment date with
 42 respect to which the allocation and distribution is made; or

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1 (2) the base assessed value.

2 (d) Property tax proceeds allocable to the redevelopment district
3 under subsection (b)(2) may, subject to subsection (b)(3), be
4 irrevocably pledged by the redevelopment district for payment as set
5 forth in subsection (b)(2).

6 (e) Notwithstanding any other law, each assessor shall, upon
7 petition of the commission, reassess the taxable property situated upon
8 or in, or added to, the allocation area, effective on the next assessment
9 date after the petition.

10 (f) Notwithstanding any other law, the assessed value of all taxable
11 property in the allocation area, for purposes of tax limitation, property
12 tax replacement, and formulation of the budget, tax rate, and tax levy
13 for each political subdivision in which the property is located is the
14 lesser of:

15 (1) the assessed value of the property as valued without regard to
16 this section; or

17 (2) the base assessed value.

18 (g) If any part of the allocation area is located in an enterprise zone
19 created under IC 5-28-15, the unit that designated the allocation area
20 shall create funds as specified in this subsection. A unit that has
21 obligations, bonds, or leases payable from allocated tax proceeds under
22 subsection (b)(2) shall establish an allocation fund for the purposes
23 specified in subsection (b)(2) and a special zone fund. Such a unit
24 shall, until the end of the enterprise zone phase out period, deposit each
25 year in the special zone fund the amount in the allocation fund derived
26 from property tax proceeds in excess of those described in subsection
27 (b)(1) from property located in the enterprise zone that exceeds the
28 amount sufficient for the purposes specified in subsection (b)(2) for the
29 year. A unit that has no obligations, bonds, or leases payable from
30 allocated tax proceeds under subsection (b)(2) shall establish a special
31 zone fund and deposit all the property tax proceeds in excess of those
32 described in subsection (b)(1) in the fund derived from property tax
33 proceeds in excess of those described in subsection (b)(1) from
34 property located in the enterprise zone. The unit that creates the special
35 zone fund shall use the fund, based on the recommendations of the
36 urban enterprise association, for one (1) or more of the following
37 purposes:

38 (1) To pay for programs in job training, job enrichment, and basic
39 skill development designed to benefit residents and employers in
40 the enterprise zone. The programs must reserve at least one-half
41 (1/2) of the enrollment in any session for residents of the
42 enterprise zone.

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(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

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(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 40. IC 36-7-15.1-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 29. (a) The commission may, by following the procedures set forth in sections 8, 9, and 10 of this chapter, approve a plan for and determine that a geographic area in the redevelopment district is an economic development area. Designation of an economic development area is subject to judicial review in the manner prescribed in section 11 of this chapter.

(b) The commission may determine that a geographic area is an economic development area if it finds:

(1) the plan for the economic development area:

(A) promotes significant opportunities for the gainful employment of its citizens;

(B) attracts a major new business enterprise to the unit;

(C) retains or expands a significant business enterprise existing in the boundaries of the unit; or

(D) meets other purposes of this section and sections 28 and 30 of this chapter;

(2) the plan for the economic development area cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without resort to the powers allowed under this section and sections 28 and 30 of this chapter because of:

(A) lack of local public improvement;

(B) existence of improvements or conditions that lower the value of the land below that of nearby land;

(C) multiple ownership of land; or

(D) other similar conditions;

(3) the public health and welfare will be benefited by accomplishment of the plan for the economic development area;

(4) the accomplishment of the plan for the economic development area will be a public utility and benefit as measured by:

(A) attraction or retention of permanent jobs;

(B) increase in the property tax base;

(C) improved diversity of the economic base; or

(D) other similar public benefits; and

(5) the plan for the economic development area conforms to the comprehensive plan of development for the consolidated city.

(c) The determination that a geographic area is an economic development area must be approved by the city-county legislative body.

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The approval may be given either before or after judicial review is requested. The requirement that the city-county legislative body approve economic development areas does not prevent the commission from amending the plan for the economic development area. However, the enlargement of any boundary in the economic development area must be approved by the city-county legislative body, **and a boundary may not be enlarged unless the existing area does not generate sufficient revenue to meet the financial obligations of the original project.**

SECTION 41. IC 36-7-15.1-30, AS AMENDED BY P.L.185-2005, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 30. (a) All of the rights, powers, privileges, and immunities that may be exercised by the commission in a redevelopment project area or urban renewal area may be exercised by the commission in an economic development area, subject to the following:

(1) The content and manner of exercise of these rights, powers, privileges, and immunities shall be determined by the purposes and nature of an economic development area.

(2) Real property (or interests in real property) relative to which action is taken under this section or section 28 or 29 of this chapter in an economic development area **established before July 1, 2008**, is not required to meet the conditions described in IC 36-7-1-3. **However, real property (or interests in real property) relative to which action is taken in an economic development area established after June 30, 2008, or in territory added to an existing economic development area after June 30, 2008, must meet the conditions described in IC 36-7-1-3, unless the action being taken is necessary in order to:**

(A) fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008; or

(B) otherwise prevent an impairment of the rights or remedies of the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008.

(3) The special tax levied in accordance with section 16 of this chapter may be used to carry out activities under this chapter in economic development areas.

(4) Bonds may be issued in accordance with section 17 of this

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chapter to defray expenses of carrying out activities under this chapter in economic development areas **if no other revenue sources are available for this purpose.**

(5) The tax exemptions set forth in section 25 of this chapter are applicable in economic development areas.

(6) An economic development area may be an allocation area for the purposes of distribution and allocation of property taxes.

(7) The commission may not use its power of eminent domain under section 13 of this chapter to carry out activities under this chapter in economic development areas.

(b) The content and manner of discharge of duties set forth in section 6 of this chapter shall be determined by the purposes and nature of an economic development area.

SECTION 42. IC 36-7-15.1-35, AS AMENDED BY P.L.219-2007, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(g) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) To provide financial assistance to neighborhood development

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corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) To provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4(a)(1) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) Except as provided in subsection (g), the commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c), by applying one-half (1/2) of the credit to each installment of taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in a year. Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount

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of the credit to be granted.

(3) If bonds of a lessor under section 17.1 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 26(b) of this chapter, the special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 26(b)(2)(A) through 26(b)(2)(H) of this chapter.

(2) Reimburse the consolidated city for expenditures made by the city in order to accomplish the housing program in that allocation area.

The special fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the special fund established under section 26(b) of this chapter for an allocation area for a program adopted under section 32 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which ~~property taxes payable to the allocation fund in the following year~~ **the assessed value of the taxable property in the allocation area, when multiplied by the estimated tax rate of the allocation area,** will exceed the amount of **assessed value needed to produce the** property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 26(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 26(b)(2) of this chapter; and

(C) to reimburse the consolidated city for anticipated expenditures described in subsection (e)(2).

(2) ~~Notify~~ **Provide a written notice to** the county auditor, ~~of the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:~~

(A) **state** the amount, if any, of excess ~~property taxes assessed value~~ that the commission has determined may be ~~paid~~ **allocated** to the respective taxing units in the manner

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prescribed in section 26(b)(1) of this chapter; or

(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subsection 26(b)(1) of this chapter.

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 43. IC 36-7-15.1-40, AS AMENDED BY P.L.185-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 40. (a) A commission shall establish a redevelopment project area by following the procedures set forth in sections 8 through 10 of this chapter. The establishment of a redevelopment project area under this subsection must also be approved by resolution of the legislative body of the excluded city.

(b) A commission may amend a resolution or plan for a redevelopment project area or economic development area by following the procedures ~~of section~~ **set forth in sections 8 through 10.5** of this chapter. An amendment made under this subsection must also be approved by resolution of the legislative body of the excluded city.

(c) A person who filed a written remonstrance with the commission under subsection (a) and is aggrieved by the final action taken may seek appeal of the action by following the procedures for appeal set forth in section 11 of this chapter. The appeal hearing is governed by the procedures of section 11(b) of this chapter.

SECTION 44. IC 36-7-15.1-45, AS AMENDED BY P.L.219-2007, SECTION 132, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 45. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be

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1 levied under section 50 of this chapter, the taxes allocated under
 2 section 53 of this chapter, or other revenues of the redevelopment
 3 district, a commission may, by resolution, issue the bonds of its
 4 redevelopment district in the name of the excluded city. The amount of
 5 the bonds may not exceed the total, as estimated by the commission, of
 6 all expenses reasonably incurred in connection with the acquisition and
 7 redevelopment of the property, including:

8 (1) the total cost of all land, rights-of-way, and other property to
 9 be acquired and redeveloped;

10 (2) all reasonable and necessary architectural, engineering, legal,
 11 financing, accounting, advertising, bond discount, and
 12 supervisory expenses related to the acquisition and redevelopment
 13 of the property or the issuance of bonds;

14 (3) capitalized interest permitted in this chapter and a debt service
 15 reserve for the bonds, to the extent that the redevelopment
 16 commission determines that a reserve is reasonably required;

17 (4) the total cost of all clearing and construction work provided
 18 for in the resolution; and

19 (5) expenses that the commission is required or permitted to pay
 20 under IC 8-23-17.

21 (b) If a commission plans to acquire different parcels of land or let
 22 different contracts for redevelopment work at approximately the same
 23 time, whether under one (1) or more resolutions, a commission may
 24 provide for the total cost in one (1) issue of bonds.

25 (c) The bonds must be dated as set forth in the bond resolution and
 26 negotiable subject to the requirements concerning registration of the
 27 bonds. The resolution authorizing the bonds must state:

28 (1) the denominations of the bonds;

29 (2) the place or places at which the bonds are payable; and

30 (3) the term of the bonds, which may not exceed:

31 (A) fifty (50) years, **for bonds issued before July 1, 2008; or**

32 (B) thirty (30) years, **for bonds issued after June 30, 2008.**

33 The resolution may also state that the bonds are redeemable before
 34 maturity with or without a premium, as determined by the commission.

35 (d) The commission shall certify a copy of the resolution authorizing
 36 the bonds to the fiscal officer of the excluded city, who shall then
 37 prepare the bonds. The seal of the unit must be impressed on the bonds,
 38 or a facsimile of the seal must be printed on the bonds.

39 (e) The bonds shall be executed by the excluded city executive and
 40 attested by the excluded city fiscal officer. The interest coupons, if any,
 41 shall be executed by the facsimile signature of the excluded city fiscal
 42 officer.

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(f) The bonds are exempt from taxation as provided by IC 6-8-5.

(g) The excluded city fiscal officer shall sell the bonds according to law. Bonds payable solely or in part from tax proceeds allocated under section 53(b)(2) of this chapter or other revenues of the district may be sold at private negotiated sale and at a price or prices not less than ninety-seven percent (97%) of the par value.

(h) The bonds are not a corporate obligation of the excluded city but are an indebtedness of the redevelopment district. The bonds and interest are payable:

- (1) from a special tax levied upon all of the property in the redevelopment district, as provided by section 50 of this chapter;
- (2) from the tax proceeds allocated under section 53(b)(2) of this chapter;

(3) from other revenues available to the commission; or

- (4) from a combination of the methods described in subdivisions (1) through (3);

and from any revenues of the designated project. If the bonds are payable solely from the tax proceeds allocated under section 53(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(i) Proceeds from the sale of the bonds may be used to pay the cost of interest on the bonds for a period not to exceed:

(1) five (5) years from the date of issue, **for bonds issued before July 1, 2008; or**

(2) **two (2) years from the date of issue, for bonds issued after June 30, 2008.**

(j) The laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against the issuance of bonds applicable to bonds issued under this chapter ~~do not~~ apply to bonds payable solely or in part from tax proceeds allocated under section 53(b)(2) of this chapter, other revenues of the commission, or any combination of these sources. **However, this subsection does not apply to the bonds if they were:**

(1) **issued before July 1, 2008;**

(2) **issued after June 30, 2008, but authorized by a resolution adopted under this section before July 1, 2008; or**

(3) **issued after June 30, 2008, in order to:**

(A) **fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008; or**

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(B) otherwise prevent an impairment of the rights or remedies of the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008.

(k) If bonds are issued under this chapter that are payable solely or in part from revenues to a commission from a project or projects, a commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the commission. The commission may establish fees and charges for the use of any project and covenant with the owners of bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the commission that are payable solely from revenues of the commission must contain a statement to that effect in the form of bond.

SECTION 45. IC 36-7-15.1-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 46. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under section 45 of this chapter with a lessor for a term not to exceed:

- (1) fifty (50) years, for a lease entered into before July 1, 2008;**
- or**
- (2) thirty (30) years, for a lease entered into after June 30, 2008.**

The lease may provide for payments to be made by the commission from special benefits taxes levied under section 50 of this chapter, taxes allocated under section 53 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given

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1 by publication in accordance with IC 5-3-1. After the public hearing,
 2 the commission may adopt a resolution authorizing the execution of the
 3 lease on behalf of the unit if it finds that the service to be provided
 4 throughout the term of the lease will serve the public purpose of the
 5 unit and is in the best interests of its residents. Any lease approved by
 6 a resolution of the commission must be approved by an ordinance of
 7 the fiscal body of the excluded city.

8 (d) Upon execution of a lease providing for payments by the
 9 commission in whole or in part from the levy of special benefits taxes
 10 under section 50 of this chapter and upon approval of the lease by the
 11 fiscal body, the commission shall publish notice of the execution of the
 12 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more
 13 taxpayers residing in the district who will be affected by the lease and
 14 who may be of the opinion that no necessity exists for the execution of
 15 the lease or that the payments provided for in the lease are not fair and
 16 reasonable may file a petition in the office of the county auditor within
 17 thirty (30) days after the publication of the notice of execution and
 18 approval. The petition must set forth the petitioners' names, addresses,
 19 and objections to the lease and the facts showing that the execution of
 20 the lease is unnecessary or unwise or that the payments provided for in
 21 the lease are not fair and reasonable, as the case may be. Upon the
 22 filing of the petition, the county auditor shall immediately certify a
 23 copy of the petition, together with such other data as may be necessary
 24 in order to present the questions involved, to the department of local
 25 government finance. Upon receipt of the certified petition and
 26 information, the department of local government finance shall fix a
 27 time and place for the hearing in the redevelopment district, which
 28 must not be less than five (5) or more than thirty (30) days after the
 29 time for the hearing is fixed. Notice of the hearing shall be given by the
 30 department of local government finance to the members of the fiscal
 31 body, to the commission, and to the first fifty (50) petitioners on the
 32 petition by a letter signed by the commissioner or deputy commissioner
 33 of the department and enclosed with fully prepaid postage sent to those
 34 persons at their usual place of residence, at least five (5) days before
 35 the date of the hearing. The decision of the department of local
 36 government finance on the appeal, upon the necessity for the execution
 37 of the lease and as to whether the payments under it are fair and
 38 reasonable, is final.

39 (e) A commission entering into a lease payable from allocated taxes
 40 under section 53 of this chapter or revenues or other available funds of
 41 the commission may:

42 (1) pledge the revenue to make payments under the lease as

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provided in IC 5-1-14-4; and

(2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the commission to make the lease rental payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(f) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the department of local government finance.

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 46. IC 36-7-15.1-51 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 51. (a) **Subject to the approval of the legislative body of the consolidated city, and in order to:**

- (1) undertake survey and planning activities under this chapter;
- (2) undertake and carry out any redevelopment project or economic development plan;
- (3) pay principal and interest on any advances;
- (4) pay or retire any bonds and interest on them; or
- (5) refund loans previously made under this section;

the commission may apply for and accept advances, short term and long term loans, grants, contributions, loan guarantees, and any other form of financial assistance from the federal government or from any of its agencies. The commission may apply for and accept loans under this section from sources other than the federal government or federal

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1 agencies, but only if the loans are unconditionally guaranteed by the
 2 federal government or federal agencies. The commission may also
 3 enter into and carry out contracts and agreements in connection with
 4 that financial assistance upon the terms and conditions that the
 5 commission considers reasonable and appropriate, if those terms and
 6 conditions are not inconsistent with the purposes of this chapter. The
 7 provisions of such a contract or agreement in regard to the handling,
 8 deposit, and application of project funds as all other provisions are
 9 valid and binding on the excluded city or its executive departments and
 10 officers, as well as the commission, notwithstanding any other
 11 provision of this chapter.

12 **(b) Subject to the approval of the fiscal body of the consolidated**
 13 **city,** the commission may issue and sell bonds, notes, or warrants:

- 14 (1) to the federal government to evidence short term or long term
- 15 loans made under this section; or
- 16 (2) to persons or entities other than the federal government to
- 17 evidence short or long term loans made under this section that are
- 18 unconditionally guaranteed by the federal government or federal
- 19 agencies;

20 without notice of sale being given or a public offering being made.

21 **(c)** Notwithstanding any other law, bonds, notes, or warrants issued
 22 by the commission under this section may:

- 23 (1) be in the amounts, form, or denomination;
- 24 (2) be either coupon or registered;
- 25 (3) carry conversion or other privileges;
- 26 (4) have a rank or priority;
- 27 (5) be of such description;
- 28 (6) be secured (subject to other provisions of this section) in such
- 29 manner;
- 30 (7) bear interest at a rate or rates;
- 31 (8) be payable as to both principal and interest in a medium of
- 32 payment, at a time or times (which may be upon demand), and at
- 33 a place or places;
- 34 (9) be subject to terms of redemption (with or without premium);
- 35 (10) contain or be subject to any covenants, conditions, and
- 36 provisions; and
- 37 (11) have any other characteristics;

38 that the commission considers reasonable and appropriate.

39 **(d)** Bonds, notes, or warrants issued under this section are not an
 40 indebtedness of the excluded city or its redevelopment district within
 41 the meaning of any constitutional or statutory limitation of
 42 indebtedness. The bonds, notes, or warrants are not payable from or

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1 secured by a levy of taxes but are payable only from and secured only
 2 by income, funds, and properties of the project becoming available to
 3 the commission under this chapter or by grant funds from the federal
 4 government, as the commission specifies in the resolution authorizing
 5 their issuance.

6 (e) Bonds, notes, or warrants issued under this section are exempt
 7 from taxation as provided by IC 6-8-5.

8 (f) Bonds, notes, or warrants issued under this section shall be
 9 executed by the city executive and attested by the fiscal officer in the
 10 name of the "City (or Town) of _____, for and on behalf
 11 of its Redevelopment District".

12 (g) Following the adoption of the resolution authorizing the issuance
 13 of bonds, notes, or warrants under this section, the commission shall
 14 certify a copy of that resolution to the officers of the excluded city who
 15 have duties with respect to bonds, notes, or warrants of the excluded
 16 city. At the proper time, the commission shall deliver to the officers the
 17 unexecuted bonds, notes, or warrants prepared for execution in
 18 accordance with the resolution.

19 (h) All bonds, notes, or warrants issued under this section shall be
 20 sold by the officers of the excluded city who have duties with respect
 21 to the sale of bonds, notes, or warrants of the excluded city. If an
 22 officer whose signature appears on any bonds, notes, or warrants issued
 23 under this section leaves office before their delivery, the signature
 24 remains valid and sufficient for all purposes as if the officer had
 25 remained in office until the delivery.

26 (i) If, at any time during the life of a loan contract or agreement
 27 under this section, the commission can obtain loans for the purposes of
 28 this section from sources other than the federal government at interest
 29 rates not less favorable than provided in the loan contract or agreement,
 30 and if the loan contract or agreement so permits, the commission may
 31 do so and may pledge the loan contract and any rights under that
 32 contract as security for the repayment of the loans obtained from other
 33 sources. Any loan under this subsection may be evidenced by bonds,
 34 notes, or warrants issued and secured in the same manner as provided
 35 in this section for loans from the federal government. These bonds,
 36 notes, or warrants may be sold at either public or private sale, as the
 37 commission considers appropriate.

38 (j) Money obtained from the federal government or from other
 39 sources under this section, and money that is required by a contract or
 40 agreement under this section to be used for project expenditure
 41 purposes, repayment of survey and planning advances, or repayment of
 42 temporary or definitive loans, may be expended by the commission

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without regard to any law pertaining to the making and approval of budgets, appropriations, and expenditures.

(k) Bonds, notes, or warrants issued under this section are declared to be issued for an essential public and governmental purpose.

SECTION 47. IC 36-7-15.1-53, AS AMENDED BY P.L.154-2006, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 40 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, **with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer**

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1 outstanding. The allocation provision may apply to all or part of the
 2 redevelopment project area. The allocation provision must require that
 3 any property taxes subsequently levied by or for the benefit of any
 4 public body entitled to a distribution of property taxes on taxable
 5 property in the allocation area be allocated and distributed as follows:

6 (1) Except as otherwise provided in this section, the proceeds of
 7 the taxes attributable to the lesser of:

8 (A) the assessed value of the property for the assessment date
 9 with respect to which the allocation and distribution is made;
 10 or

11 (B) the base assessed value;

12 shall be allocated to and, when collected, paid into the funds of
 13 the respective taxing units.

14 (2) Except as otherwise provided in this section, property tax
 15 proceeds in excess of those described in subdivision (1) shall be
 16 allocated to the redevelopment district and, when collected, paid
 17 into a special fund for that allocation area that may be used by the
 18 redevelopment district only to do one (1) or more of the
 19 following:

20 (A) Pay the principal of and interest on any obligations
 21 payable solely from allocated tax proceeds that are incurred by
 22 the redevelopment district for the purpose of financing or
 23 refinancing the redevelopment of that allocation area.

24 (B) Establish, augment, or restore the debt service reserve for
 25 bonds payable solely or in part from allocated tax proceeds in
 26 that allocation area.

27 (C) Pay the principal of and interest on bonds payable from
 28 allocated tax proceeds in that allocation area and from the
 29 special tax levied under section 50 of this chapter.

30 (D) Pay the principal of and interest on bonds issued by the
 31 excluded city to pay for local public improvements in that
 32 allocation area.

33 (E) Pay premiums on the redemption before maturity of bonds
 34 payable solely or in part from allocated tax proceeds in that
 35 allocation area.

36 (F) Make payments on leases payable from allocated tax
 37 proceeds in that allocation area under section 46 of this
 38 chapter.

39 (G) Reimburse the excluded city for expenditures for local
 40 public improvements (which include buildings, park facilities,
 41 and other items set forth in section 45 of this chapter) in that
 42 allocation area.

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(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which ~~property taxes payable to the allocation fund in the following year the assessed value of the taxable property in the allocation area, when multiplied by the estimated tax rate of the allocation area,~~ will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

~~(B) Notify~~ **Provide a written notice to** the county auditor, ~~of the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:~~

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); **or**

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the

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1 **respective taxing units in the manner prescribed in**
 2 **subdivision (1).**

3 **The county auditor shall allocate to the respective taxing**
 4 **units the amount, if any, of excess assessed value**
 5 **determined by the commission.** The commission may not
 6 authorize an allocation to the respective taxing units under this
 7 subdivision if to do so would endanger the interests of the
 8 holders of bonds described in subdivision (2).

9 (c) For the purpose of allocating taxes levied by or for any taxing
 10 unit or units, the assessed value of taxable property in a territory in the
 11 allocation area that is annexed by any taxing unit after the effective
 12 date of the allocation provision of the resolution is the lesser of:

- 13 (1) the assessed value of the property for the assessment date with
 14 respect to which the allocation and distribution is made; or
 15 (2) the base assessed value.

16 (d) Property tax proceeds allocable to the redevelopment district
 17 under subsection (b)(2) may, subject to subsection (b)(3), be
 18 irrevocably pledged by the redevelopment district for payment as set
 19 forth in subsection (b)(2).

20 (e) Notwithstanding any other law, each assessor shall, upon
 21 petition of the commission, reassess the taxable property situated upon
 22 or in, or added to, the allocation area, effective on the next assessment
 23 date after the petition.

24 (f) Notwithstanding any other law, the assessed value of all taxable
 25 property in the allocation area, for purposes of tax limitation, property
 26 tax replacement, and formulation of the budget, tax rate, and tax levy
 27 for each political subdivision in which the property is located, is the
 28 lesser of:

- 29 (1) the assessed value of the property as valued without regard to
 30 this section; or
 31 (2) the base assessed value.

32 (g) If any part of the allocation area is located in an enterprise zone
 33 created under IC 5-28-15, the unit that designated the allocation area
 34 shall create funds as specified in this subsection. A unit that has
 35 obligations, bonds, or leases payable from allocated tax proceeds under
 36 subsection (b)(2) shall establish an allocation fund for the purposes
 37 specified in subsection (b)(2) and a special zone fund. Such a unit
 38 shall, until the end of the enterprise zone phase out period, deposit each
 39 year in the special zone fund the amount in the allocation fund derived
 40 from property tax proceeds in excess of those described in subsection
 41 (b)(1) from property located in the enterprise zone that exceeds the
 42 amount sufficient for the purposes specified in subsection (b)(2) for the

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year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual

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adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 48. IC 36-7-15.1-57 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 57. (a) The commission may, by following the procedures set forth in sections 8, 9, and 10 of this chapter, approve a plan for and determine that a geographic area in the redevelopment district is an economic development area. Designation of an economic development area is subject to judicial review in the manner prescribed in section 11 of this chapter.

(b) The commission may determine that a geographic area is an economic development area if it finds that:

(1) the plan for the economic development area:

(A) promotes significant opportunities for the gainful employment of its citizens;

(B) attracts a major new business enterprise to the unit;

(C) retains or expands a significant business enterprise existing in the boundaries of the unit; or

(D) meets other purposes of this section and sections 28 and 58 of this chapter;

(2) the plan for the economic development area cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without resort to the powers allowed under this section and sections 28 and 58 of this chapter because of:

(A) lack of local public improvement;

(B) existence of improvements or conditions that lower the value of the land below that of nearby land;

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- 1 (C) multiple ownership of land; or
 2 (D) other similar conditions;
 3 (3) the public health and welfare will be benefited by
 4 accomplishment of the plan for the economic development area;
 5 (4) the accomplishment of the plan for the economic development
 6 area will be of public utility and benefit as measured by:
 7 (A) attraction or retention of permanent jobs;
 8 (B) increase in the property tax base;
 9 (C) improved diversity of the economic base; or
 10 (D) other similar public benefits; and
 11 (5) the plan for the economic development area conforms to the
 12 comprehensive plan of development for the county.
 13 (c) The determination that a geographic area is an economic
 14 development area must be approved by the excluded city legislative
 15 body. The approval may be given either before or after judicial review
 16 is requested. The requirement that the excluded city legislative body
 17 approve economic development areas does not prevent the commission
 18 from amending the plan for the economic development area. However,
 19 the enlargement of any boundary in the economic development area
 20 must be approved by the excluded city legislative body, **and a**
 21 **boundary may not be enlarged unless the existing area does not**
 22 **generate sufficient revenue to meet the financial obligations of the**
 23 **original project.**
 24 SECTION 49. IC 36-7-15.1-58, AS AMENDED BY P.L.185-2005,
 25 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2008]: Sec. 58. (a) All of the rights, powers, privileges, and
 27 immunities that may be exercised by a commission in a redevelopment
 28 project area may be exercised by a commission in an economic
 29 development area, subject to the following:
 30 (1) The content and manner of exercise of these rights, powers,
 31 privileges, and immunities shall be determined by the purposes and
 32 nature of an economic development area.
 33 (2) Real property (or interests in real property) relative to which
 34 action is taken under this section or section 28 or 57 of this
 35 chapter in an economic development area **established before**
 36 **July 1, 2008**, is not required to meet the conditions described in
 37 IC 36-7-1-3. **However, real property (or interests in real**
 38 **property) relative to which action is taken in an economic**
 39 **development area established after June 30, 2008, or in**
 40 **territory added to an existing economic development area**
 41 **after June 30, 2008, must meet the conditions described in**
 42 **IC 36-7-1-3, unless the action being taken is necessary in**

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order to:

(A) fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008; or

(B) otherwise prevent an impairment of the rights or remedies of the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008.

(3) Bonds may be issued in accordance with section 45 of this chapter to defray expenses of carrying out activities under this chapter in economic development areas **if no other revenue sources are available for this purpose.**

(4) The tax exemptions set forth in section 52 of this chapter are applicable in economic development areas.

(5) An economic development area may be an allocation area for the purposes of distribution and allocation of property taxes. However, a declaratory resolution or an amendment that establishes an allocation area must be approved by resolution of the legislative body of the excluded city.

(6) The excluded city legislative body may not use its power of eminent domain under section 39 of this chapter to carry out activities under this chapter in economic development areas.

(b) The content and manner of discharge of duties set forth in section 39(a) of this chapter shall be determined by the purposes and nature of an economic development area.

SECTION 50. IC 36-7-15.3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) The authority may issue bonds for the purpose of obtaining money to pay the cost of:

(1) acquiring property;

(2) constructing, improving, reconstructing, or renovating one (1) or more local public improvements; or

(3) funding or refunding bonds issued under this chapter or IC 36-7-15.1.

(b) The bonds are payable solely from the lease rentals from the lease of the local public improvement for which the bonds were issued, insurance proceeds, and any other funds pledged or available.

(c) The bonds shall be authorized by a resolution of the board.

(d) The terms and form of the bonds shall either be set out in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds shall mature within:

(1) fifty (50) years, **for bonds issued before July 1, 2008; or**

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(2) thirty (30) years, for bonds issued after June 30, 2008.

(f) The board shall sell the bonds at public or private sale upon such terms as determined by the board.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of the acquisition or construction, or both, of local public improvements, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

(1) planning and development of the facility and all buildings, facilities, structures, and improvements related to it;

(2) acquisition of a site and clearing and preparing the site for construction;

(3) equipment, facilities, structures, and improvements that are necessary or desirable to make the local public improvements ~~that are necessary or desirable to make the local public improvements~~ suitable for use and operations;

(4) architectural, engineering, consultant, and attorney fees;

(5) incidental expenses in connection with the issuance and sale of bonds;

(6) reserves for principal and interest;

(7) interest during construction and for a period thereafter determined by the board, but in no event to exceed:

(A) five (5) years from the date of issuance, for bonds issued before July 1, 2008; or

(B) two (2) years from the date of issuance, for bonds issued after June 30, 2008;

(8) financial advisory fees;

(9) insurance during construction;

(10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and

(11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, and interest on, the bonds being refunded or refinanced.

SECTION 51. IC 36-7-32-18, AS AMENDED BY P.L.219-2007, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. (a) **Subject to the approval of the legislative body of a unit that established a redevelopment commission, the** redevelopment commission may, by resolution, provide that each taxpayer in a certified technology park that has been designated as an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in that year. One-half (1/2) of the credit shall be applied to

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each installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the certified technology park:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's total eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to the certified technology park fund under section 17 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the certified technology park fund under section 17 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of a certified technology park; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in a certified technology park who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies must be stated on the notice.

(d) Notwithstanding any other law, a taxpayer in a certified technology park is not entitled to a credit for property tax replacement under IC 6-1.1-21-5.

SECTION 52. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2008]: IC 36-7-14-39.1; IC 36-7-15.1-26.1; IC 36-7-15.1-54.

SECTION 53. [EFFECTIVE UPON PASSAGE] **(a) A municipal executive or county executive that is required to appoint an individual to serve as a nonvoting adviser to a redevelopment**

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1 commission under IC 36-7-14-6.1, as amended by this act, shall
2 make the initial appointment before July 1, 2008.

3 (b) The legislative body of a consolidated city that is required
4 appoint an individual to serve as a nonvoting adviser to the
5 metropolitan development commission under IC 36-7-4-207, as
6 amended by this act, shall make the initial appointment before July
7 1, 2008.

8 (c) This SECTION expires July 1, 2009.
9 SECTION 54. An emergency is declared for this act.

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